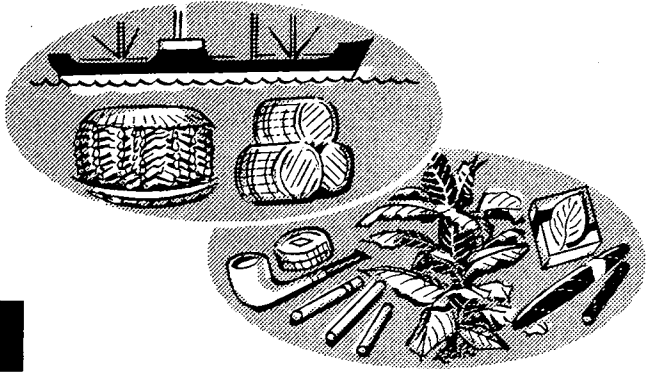


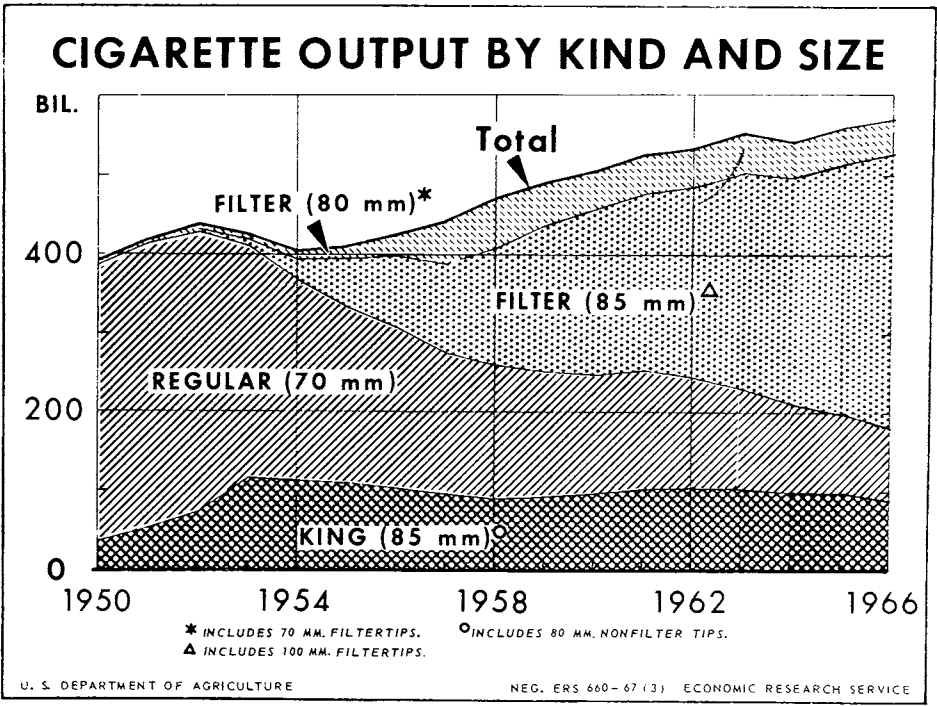
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# TOBACCO SITUATION



In 1966, U.S. cigarette output was over 567 billion. This was nearly 2 percent above 1965 and higher than any previous year. The proportion of filter tip cigarettes continues to grow. Over 68 percent of the 1966 output consisted of filter tip cigarettes. In 1965, about 64 1/2 percent were filter tips--up from 51 percent in 1960.



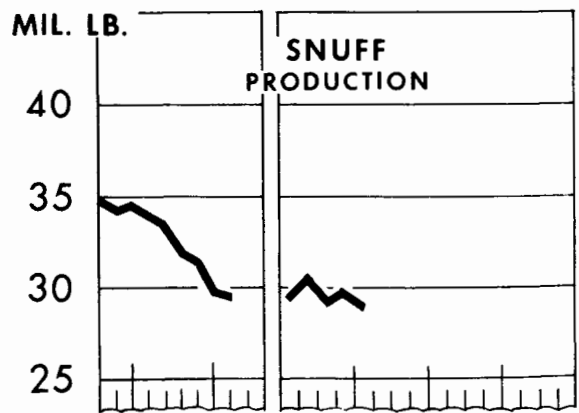
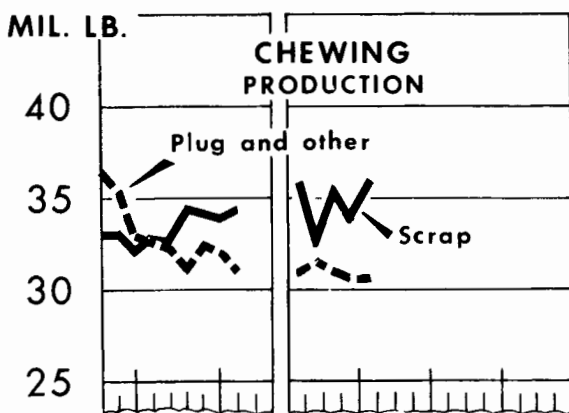
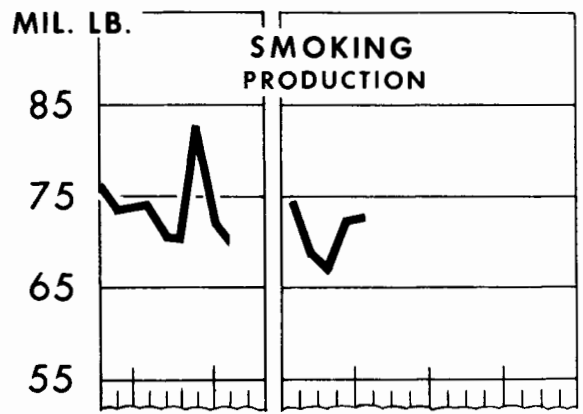
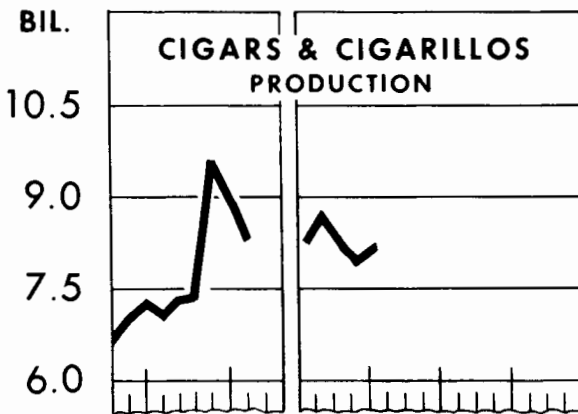
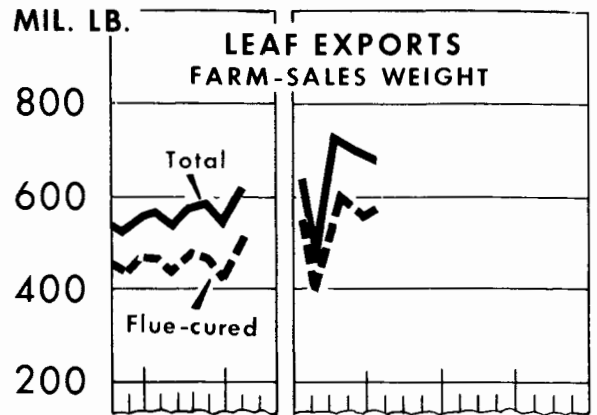
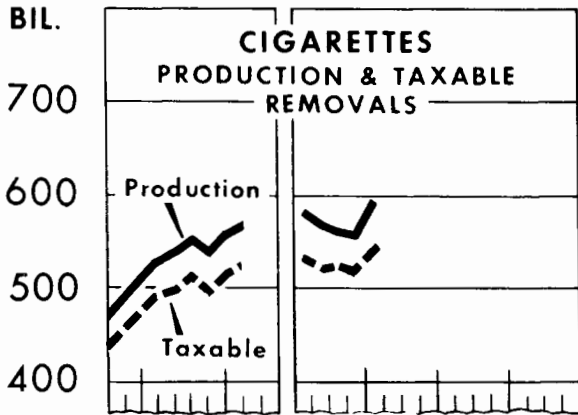
## IN THIS ISSUE

- Tobacco Products
- Per Capita Consumption
- Exports, Imports, Foreign Production
- Leaf Supplies and Use



# TOBACCO OUTLETS

## Recent Trends in Manufactured Products and Exports



1960 '65 '66 '67 '68 '69

1960 '65 '66 '67 '68 '69

ANNUAL

ANNUAL

QUARTERLY,  
SEASONALLY ADJUSTED,  
AT ANNUAL RATES

QUARTERLY,  
SEASONALLY ADJUSTED,  
AT ANNUAL RATES

LAST QUARTER SHOWN ESTIMATED

- - - - -  
 T H E T O B A C C O S I T U A T I O N  
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Approved by the Outlook and Situation Board, March 21, 1967

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SUMMARY

Growers' intentions indicate that this year's acreage of flue-cured tobacco--the leading kind--will be 3 percent above 1966. For the third year, flue-cured tobacco is being produced under an acreage-poundage program. The 1967 increase largely reflects upward adjustments in marketing quotas and acreage allotments for flue-cured tobacco farms that were unable to produce their entire quotas in 1966 due to poor growing conditions or other reasons.

The 1967 acreage of burley--ranking next in volume--is indicated to equal that harvested last year. Burley will continue under the acreage allotment program since less than the required percentage of growers who voted in the recent referendum favored shifting to an acreage-poundage program. (About 59 percent were in favor but the law requires more than two-thirds.)

Intended acreage of Maryland tobacco is indicated to be 11 percent below last year. In a recent referendum, 61 percent (less than the required two-thirds) voted in favor of acreage allotments, so the acreage allotment program cannot be applied to the 1967 crop of this type.

Intended acreages of fire-cured and dark air-cured tobacco as of March 1 were each down  $2\frac{1}{2}$  percent, compared with last year. In recent referendums, more than nine-tenths of the growers of these kinds of tobacco voting favored acreage allotments on their 1967, 1968, and 1969 crops.

Intended 1967 acreages of Pennsylvania-Ohio cigar filler and Connecticut Valley cigar binder are indicated to be 9 and 11 percent below 1966. Intended acreage of Southern Wisconsin tobacco may be up 8 percent, but acreage of Northern Wisconsin was indicated to be down 4 percent compared with 1966. Intended acreages of Connecticut Valley and Georgia-Florida wrapper may be down 2 and 12 percent, respectively from 1966.

U. S. cigarette consumption in 1967 seems likely to register a modest increase over 1966. An increase in the adult population and comparatively high consumer incomes will be the principal contributory factors. In 1966, U. S. smokers consumed over 541 billion cigarettes--2.4 percent more than in 1965 and more than in any previous year. Adult per capita cigarette consumption rose 0.7 percent over 1965 but was  $1\frac{1}{4}$  percent under the 1963 peak. The 1966 output of filter tip cigarettes (68 percent of total output) rose  $28\frac{1}{2}$  billion above 1965, more than offsetting an 18 billion decline in the output of nonfilter tip cigarettes (32 percent of total output). Commercial exports of cigarettes in 1966 at  $23\frac{1}{2}$  billion increased 2 percent over 1965, but were 6 percent below the 16-year high of 1964.

U. S. consumption of cigars and cigarillos in 1966 totaled 8.3 billion--down 4 percent from 1965 and 9 percent from the 1964 peak. Consumption still remained 14 percent above 1963--the long-time high prior to 1964. In 1967, not much change from the 1966 level of consumption is expected.

The 1966 consumption of smoking tobacco by U. S. smokers was approximately  $72\frac{1}{2}$  million pounds--about 1 million above 1965. An estimated 26 percent of total smoking tobacco consumption was in "roll-your-own" cigarettes. Use of imported smoking tobacco increased sharply in 1966 and accounted for  $4\frac{1}{2}$  percent of total U. S. consumption.

U. S. output of chewing tobacco in 1966 totaled about 65 million pounds--virtually the same as in 1965. A small increase in scrap chewing--the major category--largely offset a small decline in plug chewing--the second ranking major category. Snuff output in 1966 at  $29\frac{1}{2}$  million pounds was 1 percent below 1965 and a long-time low.

U. S. exports of unmanufactured tobacco in 1966 totaled 551 million pounds (equivalent to about 625 million, farm-sales weight)--18 percent above 1965 and the largest in 20 years. The principal factors contributing to the increase in exports were the sanctions against Rhodesian tobacco, improved quality of recent flue-cured crops, and the export payment program strengthening the competitive position of U. S. leaf in foreign markets. In the year ending June 30, 1967, U. S. exports of unmanufactured tobacco may total around 580 million pounds (about 660 million, farm-sales weight)--more than one-fifth larger than in 1965-66, and probably the largest since 1946/47. Developments in the Rhodesian situation will be of continuing great importance to U. S. tobacco because of Rhodesia's substantial position in the world's flue-cured tobacco production and trade.

U. S. imports of aromatic cigarette leaf for consumption totaled 137 million pounds in 1966--1 percent less than 1965. But cigarette leaf arrivals (direct entries plus that placed in bond) totaled almost 184 million pounds. They were up 42 percent from 1965--raising January 1, 1967, stocks well above those of any previous January 1.

Arrivals (U. S. general imports) of foreign cigar tobaccos in 1966 fell sharply below those in each of the 2 preceding years. Much less arrived from the Philippine Republic, Colombia, Dominican Republic, and Brazil but more came from Mexico than a year earlier.

Government price support levels for 1967 tobacco eligible for price support are 2 percent higher than for 1966. The increase results from a rise in the parity index which measures changes in prices paid by farmers, wages paid hired labor, interest, and taxes. Under the law, tobacco price support cannot be offered on the 1967 crop of Maryland tobacco since more than one-third of the growers voting in the recent referendum disapproved marketing quotas.

The 1967 production of flue-cured tobacco may be about  $8\frac{1}{2}$  percent larger than 1966 marketings--based on intended acreage and an average yield per acre which takes into account the trend as modified by the restraints of poundage quotas. The 1967 crop marketings plus an expected carryover in mid-1967 that may be around 8 percent lower than a year earlier, may provide a  $2\frac{1}{2}$  percent smaller total supply for 1967/68 than in 1966/67. Flue-cured stocks under Government loan were reduced 20 percent between March 1, 1966, and March 1, 1967.

Allowing for trend in average yields, the intended acreage for burley tobacco would provide a 1967 crop fairly close to 1966 crop marketings. The 1966 average yield per acre rose sharply above most recent years to a new record. The burley carryover into 1967/68 is likely to be 2 or 3 percent less than a year earlier. This together with indicated production would provide a total 1967/68 supply  $1\frac{1}{2}$  percent under 1966/67.

The 1966/67 supply of Maryland tobacco is 1 percent below the record high of 1965/66, but above any other year. Auctions for the 1966 crop will begin April 12 and continue through June 30. Allowing for trend in average yields, the intended acreage for Maryland tobacco would provide a 1967 crop about 3 percent below the current estimate for the 1966 crop.

Based on the March 1, 1967 acreage intentions, with an allowance for trend in average yields per acre, the 1967 production of fire-cured tobacco would be slightly below the estimated 1966 crop. Carryover is likely to be down some, and the total supply for 1967/68 may be 4 percent smaller than for 1966/67.

Based on intended acreage and the trend in yields, 1967 production of dark air- and sun-cured tobacco would be about  $4\frac{1}{2}$  percent smaller than 1966 crop marketings. Carryover into 1967/68 seems likely to be about the same as a year earlier and the total supply of these types for 1967/68 may be down 1 percent compared with 1966/67.

## TOBACCO PRODUCTS

### Cigarettes

In 1966, U. S. smokers (including those overseas) consumed over 541 billion cigarettes--2.4 percent more than in 1965 and more than in any previous year. The number of cigarettes consumed per capita, 18 years and over, totaled 4,290 ( $214\frac{1}{2}$  packs of 20). This was a 0.7 percent increase over 1965 and second only to the 1963 figure of 4,345 ( $217\frac{1}{4}$  packs). (See table 3.) Average consumption per smoker would exceed this per capita measure, which is obtained by dividing total consumption by total population 18 years and over.

The adult population in 1967 will increase about  $1\frac{1}{2}$  percent over 1966, and consumer incomes are expected to remain at a comparatively high level. Total cigarette consumption this year seems likely to register a modest increase over 1966. In the past several months, a number of new filter tip brands or filter tip and menthol versions of established brands have been placed on the market. The share of the total market held by filter tips--68 percent in 1966--probably will continue to gain in 1967. In a num-

Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	Total output	Domestic consumption	Shipments to		Exports
			Overseas forces and other 1/	Puerto Rico and U. S. islands 2/	
	Billions	Billions	Billions	Billions	Billions
Average: 1950-54	414.2	377.9	18.4	1.9	15.8
1955	412.3	382.1	13.2	2.0	15.1
1956	424.2	393.2	13.3	2.0	15.7
1957	442.3	409.4	13.7	2.1	17.0
1958	470.1	436.4	13.4	2.2	18.1
1959	489.9	453.7	13.7	2.5	19.6
1960	506.9	470.1	14.3	2.5	20.2
1961	528.3	488.1	14.6	2.8	22.2
1962	535.5	494.5	13.9	3.1	24.1
1963	550.6	509.6	14.3	3.2	23.6
1964	539.9	497.4	13.8	3.7	25.1
1965	556.8	511.5	17.2	3.9	23.1
1966 3/	567.3	522.5	18.7	3.9	23.5

1/ Also includes ship stores and small tax-exempt categories. 2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands. 3/ Subject to revision.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes: Estimated output of nonfilter tip and filter tip by length, and percentage distribution, 1954-66

Year	Total output	Nonfilter tip			Filter tip			
		Total	Regular 70 mm.	King 85 mm. 1/	Total	Regular 70 mm.	Long 80 mm.	King 85 mm.
	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.
1954	401.8	364.9	253.3	111.6	36.9	6.9		30.0
1955	412.3	335.3	224.5	110.8	77.0	9.0	6.5	61.5
1956	424.2	307.3	203.9	103.4	116.9	7.1	17.9	91.9
1957	442.3	274.0	180.3	93.7	168.3	8.0	46.1	114.2
1958 2/	470.5	257.5	169.0	88.5	213.0	6.9	54.5	151.6
1959	489.9	251.1	159.0	92.1	238.8	5.5	48.2	185.1
1960	506.9	248.9	151.9	97.0	258.0	3.6	46.4	208.0
1961	528.3	251.2	148.5	102.7	277.1	3.1	47.4	226.6
1962	535.5	243.0	139.8	103.2	292.5	2.4	48.1	242.0
1963 2/	550.8	231.6	128.7	102.9	319.2	2.0	47.1	270.1
1964	539.9	211.2	111.7	99.5	328.7	1.8	42.4	284.5
1965 3/	556.8	198.0	101.7	96.3	358.8	1.5	43.2	314.1
1966	567.3	180.0	91.1	88.9	387.3	1.2	43.3	342.8
Percentage distribution								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1954	100.0	90.8	63.0	27.8	9.2	1.7		7.5
1955	100.0	81.3	54.4	26.9	18.7	2.2	1.6	14.9
1956	100.0	72.4	48.1	24.3	27.6	1.7	4.2	21.7
1957	100.0	62.0	40.8	21.2	38.0	1.8	10.4	25.8
1958	100.0	54.7	35.9	18.8	45.3	1.5	11.6	32.2
1959	100.0	51.3	32.5	18.8	48.7	1.1	9.8	37.8
1960	100.0	49.1	30.0	19.1	50.9	.7	9.2	41.0
1961	100.0	47.5	28.1	19.4	52.5	.6	9.0	42.9
1962	100.0	45.4	26.1	19.3	54.6	.4	9.0	45.2
1963	100.0	42.0	23.3	18.7	58.0	.4	8.6	49.0
1964	100.0	39.1	20.7	18.4	60.9	.3	7.9	52.7
1965	100.0	35.6	18.3	17.3	64.4	.3	7.7	56.4
1966	100.0	31.8	16.1	15.7	68.2	.2	7.6	60.4

1/ Includes 80 mm. nonfilter tips which were fairly significant in 1956-60, but which have since comprised a very small proportion of the total. 2/ Data for 1958 and 1963 are from Census of Manufactures, and differ slightly from totals shown by Internal Revenue Service. 3/ Revised.

General note: Cigarettes having lengths other than specified in this table were included in the group with which they were most nearly comparable.

Table 3.--Cigarettes and all tobacco products: Consumption per capita, 18 years and over (including overseas forces), and indexes, 1925-66

Year	Cigarettes <sup>1/</sup>		All tobacco products <sup>1/</sup>	Cigarettes		All tobacco products
	Number	Pounds	Pounds	(number)	(pounds)	(Indexes--1957-59=100)
Average:						
1925-29	1,285	3.56	9.68	33	38	83
1930-34	1,389	3.82	8.80	35	41	76
1935-39	1,779	4.81	9.22	45	51	79
1940-44	2,558	6.97	10.88	65	74	94
1945-49	3,459	9.38	12.46	88	100	107
1950	3,522	9.54	12.29	90	102	106
1951	3,744	9.94	12.60	95	106	108
1952	3,886	10.44	13.11	99	112	113
1953	3,778	10.37	12.95	96	111	111
1954	3,546	9.59	12.12	90	102	104
1955	3,597	9.49	11.99	92	101	103
1956	3,650	9.35	11.65	93	100	100
1957	3,755	9.21	11.44	96	98	98
1958	3,953	9.46	11.73	101	101	101
1959	4,073	9.44	11.73	104	101	101
1960	4,171	9.64	11.82	106	103	102
1961	4,266	9.84	12.00	109	105	103
1962	4,265	9.69	11.80	109	103	102
1963	4,345	9.70	11.78	111	104	101
1964	4,195	9.22	11.54	107	98	99
1965	4,259	9.32	11.47	108	100	99
1966 <sup>2/</sup>	4,290	9.27	11.33	109	99	97

<sup>1/</sup> The weight represents the unstemmed processing-weight equivalent of the tobacco.

<sup>2/</sup> Subject to revision.

Table 4.--Cigarette exports from the United States to leading destinations for specified periods

Country	Average 1959-63	1964	1965	1966 <sup>1/</sup>	1966 as a percentage of 1965
	Mil.	Mil.	Mil.	Mil.	Pct.
Hong Kong	1,678	2,561	2,648	2,362	89
Spain	639	2,252	1,824	1,944	107
Netherlands Antilles	977	1,135	1,292	1,286	100
Paraguay	124	684	967	1,270	131
Kuwait	914	1,425	1,123	1,178	105
France	1,391	1,339	1,035	969	94
West Germany	538	543	523	653	125
Ecuador	428	569	712	626	88
Panama <sup>2/</sup>	524	853	651	624	96
Italy	669	709	644	622	97
Netherlands	569	617	503	607	121
Canary Islands	459	576	487	568	117
Switzerland	184	343	483	538	111
Other countries <sup>3/</sup>	12,850	11,538	10,160	10,205	100
Total all countries	21,944	25,144	23,052	23,452	102

<sup>1/</sup> Subject to revision. <sup>2/</sup> Includes Canal Zone. <sup>3/</sup> Includes around 100 foreign destinations in recent years.

Compiled from publications and records of the Bureau of the Census.

ber of States, consumers face possible increases in retail prices of cigarettes if State legislatures adopt increased tax rates on cigarettes.

Total output of cigarettes in 1966 was over 567 billion--about  $10\frac{1}{2}$  billion more than 1965 and more than 60 billion above 1960. From 1965 to 1966, output of filter tip cigarettes rose about  $28\frac{1}{2}$  billion, more than offsetting a decline of 18 billion in non-filter tip cigarettes. (See table 2 and cover chart.) From 1960 to 1966, output of filter tip cigarettes rose about 129 billion--far greater than the drop of 69 billion in nonfilter tip cigarettes. The big part of the drop in nonfilter tip cigarettes since 1960 has been in the regular size (70 millimeters) brands; the decrease per year in this category since 1960 has averaged 8.1 percent. In contrast, the king size filter tips (85 millimeters) rose an average 8.7 percent per year from 1960 to 1966.

U. S. smokers (including those overseas) consumed about 95 percent of the total U. S. output of cigarettes. Commercial exports and shipments to Puerto Rico and U. S. possessions accounted for the other 5 percent. (Imports of cigarettes into the U. S. are relatively insignificant and account for less than one-hundredth of 1 percent of total consumption.) U. S. exports of cigarettes totaled  $23\frac{1}{2}$  billion in 1966--2 percent more than in 1965. (See table 4 for leading destinations.) The declared value of 1966 cigarette exports totaled  $\$110\frac{1}{2}$  million, up 5 percent from 1965--reflecting the increase in export volume and a 3 percent rise in unit value. Shipments of cigarettes to Puerto Rico and other U. S. islands in 1966 were a record 3,927 million--about 1 percent more than in 1965.

#### Cigars, Cigarillos, Small Cigars

U. S. smokers (including those overseas) consumed about 8.3 billion cigars in 1966. This was 4 percent less than in 1965, and 9 percent below the record 1964 level. Despite the decline of the past 2 years, 1966 cigar consumption was over 1 billion--14 percent--greater than in 1963, the high point in the 40 years prior to 1964. Cigar and cigarillo consumption per male, 18 years and over, in 1966 numbered about 136, down about 5 percent from 1965, but third highest in 35 years. (See table 7.) During 1967, cigar and cigarillo consumption is not expected to show much change from 1966.

The number of cigars and cigarillos sold for over  $2\frac{1}{2}$  to 6 cents apiece (nearly half the total) declined about 3 percent from 1965 to 1966. The number sold for over 6 to 15 cents (about 43 percent of the total) declined about 6 percent. The number sold for over 15 cents (almost 6 percent of the total) gained a little more than 1 percent.

U. S. cigar exports in 1966 climbed to a new high--73 million, nearly a third above 1965. The declared value of cigar exports was \$2.2 million--15 percent above 1965. (An indeterminate proportion of these cigar exports were small cigars--cigarette size.) The leading export outlet was France, whose 1966 takings tripled to account for over a third of the total. Second ranking outlet was Canada, which took 7 percent more than in 1965. There were relatively sharp increases to Japan, Panama, Australia, Belgium, Greece, and Netherlands Antilles. There were moderate increases to the Bahamas, Portugal, and Egypt. But cigar exports to Iceland, United Kingdom, Republic of South Africa, Kuwait, Hong Kong, Switzerland, and Bahrein were less.

U. S. imports of cigars in 1966 totaled about 25 million, and were valued at \$2.3 million. Volume held close to that of 1965, but the total declared value was up 18 percent from 1965. Leading sources were the Philippine Republic, the Netherlands, Canary Islands, Jamaica, Brazil, and Mexico.



Table 5 .--Large cigars and cigarillos: Output and consumption for specified periods

Period	Factories in the United States <sup>1/</sup>			From Puerto Rico: taxable	Imports for consumption		Exports	Total consumption <sup>3/</sup>
	Total output	Removals			Total <sup>2/</sup>	From Philippine Republic		
		Taxable	Tax-exempt					
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average: 1950-54	5,902	5,818	83	13	15	2	4	5,925
1955	6,004	5,915	82	84	20	5	6	6,095
1956	5,998	5,863	72	93	23	4	9	6,042
1957	6,145	5,995	79	124	26	5	9	6,215
1958	6,469	6,260	87	137	28	4	9	6,503
1959	6,857	6,717	103	148	31	5	4/10	6,989
1960	6,991	6,728	105	198	32	6	4/11	7,052
1961	6,642	6,558	118	354	24	8	4/16	7,038
1962	6,684	6,442	126	483	23	14	4/19	7,055
1963	6,716	6,621	144	526	24	15	33	7,282
1964	8,736	8,122	193	809	28	13	44	9,108
1965	7,899	7,577	180	911	25	9	55	8,638
1966 <sup>5/</sup>	7,165	7,076	193	1,075	25	10	73	8,296

<sup>1/</sup> Includes output and removals of bonded manufacturing warehouses--a category in which no facilities have been classified since February 1964. <sup>2/</sup> Prior to the embargo on imports from Cuba (effective February 1962), the major share of imported cigars came from Cuba. <sup>3/</sup> Total removals from U. S. factories plus those from Puerto Rico, and imports, minus exports. <sup>4/</sup> Estimated--excludes little cigars. <sup>5/</sup> Subject to revision.

Compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 6 .--Small cigars (weighing not more than 3 pounds per thousand and approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
		Millions	Millions	Millions
Average: 1950-54	64.9	65.0	64.2	0.8
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1961	158.2	152.9	146.1	6.8
1962	164.0	162.9	155.8	7.1
1963	281.4	272.4	264.2	8.2
1964	973.9	973.8	939.7	34.1
1965	440.7	457.8	434.7	23.1
1966 <sup>1/</sup>	445.3	452.6	435.7	16.9

<sup>1/</sup> Subject to revision.

Compiled from reports of the Internal Revenue Service.

Table 7.--Consumption of cigars, smoking tobacco and chewing tobacco per male, and snuff per person, 18 years and over, and indexes for specified periods

Period	Consumption per male 18 years and over				Per person 18
	Large cigars and		Smoking	Chewing	Snuff
	cigarillos <sup>1/</sup>		tobacco <sup>1/</sup>	tobacco <sup>1/</sup>	<sup>1/</sup>
	Number	Pounds	Pounds	Pounds	Pounds
Average:					
1925-29	177.4	4.10	4.15	5.03	0.52
1930-34	125.2	2.96	4.40	3.15	.46
1935-39	120.9	2.89	4.39	2.48	.42
1940-44	118.9	2.87	3.67	2.34	.43
1945-49	113.7	2.74	2.35	2.01	.41
1950	107.8	2.53	2.03	1.67	.38
1951	110.8	2.56	1.89	1.62	.37
1952	115.1	2.72	1.80	1.58	.36
1953	115.5	2.72	1.62	1.55	.36
1954	112.8	2.64	1.55	1.48	.35
1955	112.8	2.60	1.47	1.44	.35
1956	110.8	2.41	1.30	1.36	.34
1957	113.0	2.37	1.27	1.29	.32
1958	117.3	2.45	1.37	1.23	.31
1959	124.9	2.55	1.31	1.20	.29
1960	124.7	2.42	1.30	1.13	.30
1961	122.9	2.43	1.30	1.13	.29
1962	121.9	2.40	1.24	1.10	.28
1963	124.6	2.39	1.22	1.11	.27
1964	154.4	2.69	1.42	1.11	.26
1965	143.9	2.58	1.19	1.07	.24
1966 <sup>2/</sup>	136.3	2.42	1.19	1.05	.23
1957-59=100					
Average:					
1925-29	150	167	316	406	168
1930-34	106	120	334	254	150
1935-39	102	117	333	200	138
1940-44	100	117	279	189	140
1945-49	96	112	179	162	132
1950	91	103	154	134	125
1951	94	104	144	131	121
1952	97	111	137	128	118
1953	98	111	123	125	117
1954	95	107	118	120	115
1955	95	106	112	116	115
1956	94	98	99	110	110
1957	95	97	97	104	105
1958	99	100	104	99	100
1959	105	104	99	97	95
1960	105	98	99	91	97
1961	104	99	99	91	93
1962	103	97	94	89	91
1963	105	97	93	89	86
1964	130	109	108	90	84
1965	122	105	90	86	78
1966 <sup>2/</sup>	115	99	90	85	76

<sup>1/</sup> Unstemmed weight equivalent for cigars and finished-product weight for all others.<sup>2/</sup> Subject to revision.

Table 8.--Smoking tobacco: Output, removals, foreign trade, and consumption, for specified periods

Period	Output	Removals <sup>1/</sup>		Imports, <sup>2/</sup>	Exports, in packages	Total consumption <sup>3/</sup>	Exports, smoking tobacco in bulk <sup>4/</sup>
		Taxable <sup>1/</sup>	Tax-exempt <sup>1/</sup>				
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average:							
1950-54	95.2	92.0	3.2	0.1	0.6	94.7	3.0
1955	80.0	77.7	2.3	.1	.5	79.6	6.2
1956	71.5	69.9	1.7	.1	.6	71.1	5.7
1957	70.5	68.7	1.7	.2	.6	70.0	4.4
1958	76.0	74.0	2.0	.4	.7	75.7	7.5
1959	73.2	71.2	1.9	.7	.7	73.1	8.5
1960	73.8	71.3	2.3	.9	.9	73.6	7.7
1961	74.2	71.4	2.5	1.3	.8	74.4	9.0
1962	70.9	68.3	2.6	1.5	.9	71.5	8.6
1963	70.4	68.0	2.2	1.6	.9	70.9	9.8
1964	82.5	79.0	3.4	2.7	1.4	83.7	12.3
1965	71.8	67.3	3.0	2.1	1.0	71.4	13.6
1966 <sup>5/</sup>	70.5	65.4	4.8	3.3	1.0	72.5	14.8

<sup>1/</sup> After December 1965, taxable removals data replaced by domestic sales, and tax-exempt removals data replaced by export sales. See March 1966 Tobacco Situation, pp. 15-16. <sup>2/</sup> Prior to July 1962 and after December 1965, data are from Census import classification covering mainly smoking tobacco; from July 1962 through December 1965, data represent taxable removals of imported smoking tobacco reported by Internal Revenue Service. <sup>3/</sup> Total removals (or sales) plus imports minus exports in packages. <sup>4/</sup> Includes specially-prepared cigarette tobacco, cut or granulated tobacco, partially-processed blended tobacco and shredded tobacco. Virtually all of the smoking tobacco in this export class was not included in Internal Revenue Service output figures for smoking tobacco. <sup>5/</sup> Subject to revision.

Compiled from reports of the Internal Revenue Service, Bureau of the Census, and Consumer and Marketing Service, USDA.

The taxable removals of small cigars (about cigarette size--not over 3 pounds per 1,000) in 1966 totaled 436 million. They were slightly above 1965, but less than half the unusual high of 1964. Indicated consumption of small cigars in 1966 was fourth highest in about 40 years.

### Smoking Tobacco

The 1966 U. S. production of smoking tobacco for pipes and "roll-your-own" cigarettes totaled about 70½ million pounds--2 percent less than a year earlier. It was 15 percent less than output in 1964 (when production spurted after issuance of the Surgeon General's smoking-health report), but was approximately equal to 1963.

An estimate of consumption of smoking tobacco by U. S. smokers (including overseas forces) is derived by adding total manufacturers' sales and imports and subtracting exports. On such a basis, estimated 1966 consumption of smoking tobacco amounted to 72½ million pounds--approximately 1 million above 1965. The increase is attributable to imported smoking tobacco. (The statistically derived consumption figure for 1965, however, may understate actual consumption that year. Taxable removals in December 1965 were unusually small, in anticipation of elimination of the 10-cents-a-pound Federal excise tax, as of January 1, 1966.)

Estimated 1966 consumption of smoking tobacco per adult male was about the same as in 1965, but 8 percent less than 10 years ago. (See table 7.)

In November 1966, the wholesale price index for smoking tobacco (published by the Bureau of Labor Statistics) increased 1 percent from the preceding month, and has remained at that level through January 1967.

In 1966, imports of manufactured tobacco (most of it smoking tobacco) reached a record 3.3 million pounds--31 percent above the comparable figure a year earlier--and were valued at \$4.2 million. Imported smoking tobacco made up 4½ percent of total U. S. consumption of smoking tobacco in 1966, compared with about 3 percent in each of the 2 previous years. Most of the 1966 increase was provided by the Netherlands, which accounted for 78 percent of total imports. The United Kingdom furnished 8 percent, and Denmark about 5 percent. The average values of imports from various sources were as follows (per pound, excluding the 17½-cent duty): The Netherlands, \$1.17; United Kingdom, \$2.86; Denmark, \$1.22; all sources, \$1.29.

Exports of packaged smoking tobacco in 1966 totaled 991,000 pounds, and were valued at about \$1½ million. Export volume was up 4 percent, and value was up 7 percent from the previous year. The quantity exported to Canada increased more than a tenth. There were also substantial increases to West Germany, Iceland, and Switzerland. Less than the year before was shipped to Denmark, Australia, Japan, Sweden, Italy, and Hong Kong.

#### Estimated Tobacco Consumed in Roll-Your-Own Cigarettes

The quarterly report of the Consumer and Marketing Service, USDA, on manufacture and sales of snuff, smoking, and chewing tobacco--instituted in 1966--provides a breakdown of smoking tobacco not previously available in Internal Revenue Service statistics on these products. The C&MS report breaks down smoking tobacco into the following categories: Pipe tobacco, granulated or sack tobacco, and long cut or cigarette cut tobacco. Quantities of each that were manufactured and invoiced (domestic and export sales) in calendar 1966 are shown in table 9.

Granulated (sack) tobacco and long cut or cigarette cut tobacco are primarily used for roll-your-own cigarettes. However, some portion of "pipe" tobacco is also used for this purpose, and some small portion of the other 2 categories--consumed mainly in roll-your-owns--is probably used in pipes. Since there is dual use of smoking tobacco, the sales figures in each of the 3 categories reported by C&MS--while broadly indicative--cannot be taken directly as a measure of tobacco consumed exclusively in pipes or roll-your-own cigarettes.

An estimate of the number of handrolled cigarettes smoked, however, may be derived from total shipments of cigarette papers (taxable and tax-exempt), allowing for probable wastage. These estimates, together with estimated tobacco consumed, are shown in table 10.

Table 9.--Smoking tobacco: Production and manufacturers' sales, by category, 1966

Smoking tobacco product	Manufactured	Invoiced		
		To domestic customers	For export <sup>1/</sup>	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Pipe	58.0	56.2	1.7	57.9
Granulated or sack	1.8	1.8	<u>2/</u>	1.8
Long cut or cigarette cut	10.7	7.5	3.1	10.6
Total <sup>3/</sup>	70.5	65.4	4.8	70.3

<sup>1/</sup> Sales for overseas shipment (to foreign markets and to overseas forces).  
<sup>2/</sup> Negligible. <sup>3/</sup> Computed from unrounded numbers.

Table 10.--Estimated number of roll-your-own cigarettes smoked and smoking tobacco consumed, 1950-66

Year	Roll-your-own cigarettes	Smoking tobacco consumption				
		Total U. S. consumption: <sup>1/</sup>	Used for--			
			Roll-your-own cigarettes	Pipe tobacco		
		Quantity	Percentage of total	Quantity	Percentage of total	
	Bil.	Mil. lb.	Mil. lb.	Pct.	Mil. lb.	Pct.
1950	16.4	105	30	29	75	71
1951	15.8	98	28	29	70	71
1952	13.0	94	23	24	71	76
1953	12.1	86	22	26	64	74
1954	11.8	83	21	25	62	75
1955	11.7	80	21	26	59	74
1956	10.3	71	19	27	52	73
1957	10.8	70	19	27	51	73
1958	13.0	76	23	30	53	70
1959	13.6	73	24	33	49	67
1960	13.7	74	24	32	50	68
1961	13.4	74	24	32	50	68
1962	12.0	72	22	31	50	69
1963	11.8	71	21	30	50	70
1964	12.2	84	22	26	62	74
1965	11.2	71	20	28	51	72
1966	10.3	72	19	26	53	74

<sup>1/</sup> Including overseas forces. Includes imported smoking tobacco.

### Smoking Tobacco in Bulk for Export

The smoking tobacco in bulk export category includes specially prepared tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco (see table 8, last column). It also includes processed sheet tobacco and "blended strips" or stemmed tobacco consisting of more than one kind--principally blended flue-cured and burley.

Exports of smoking tobacco in bulk, which have been trending upwards, reached a record 14.8 million pounds in 1966, and were valued at a little over \$15 million. The quantity was 9 percent and the value was 8 percent above 1965. Peru was the leading outlet, taking about 2½ million pounds, or 6½ times as much as in the previous year. Spain took about 1-¾ million pounds, the Netherlands and the Dominican Republic each took approximately 1½ million pounds, while Italy and Finland each took around 1 million pounds. Takings by all these countries (except Finland) were sharply higher than the year before; Finland reduced its takings a tenth. Among the other outlets, substantially more than in 1965 was shipped to Ecuador, Bolivia, Australia, and Austria. A little more was taken by Haiti. On the other hand, exports to Switzerland and Mexico (which in 1965 had ranked first and second, respectively, as foreign markets for bulk smoking tobacco) plummeted 87 percent and 96 percent, respectively. Less than the year before was exported to Panama and France.

### Chewing Tobacco

U.S. production of chewing tobacco in 1966, totaling about 65 million pounds, was virtually the same as in the preceding year. However, there were changes in individual categories. Production of scrap chewing, comprising 53 percent of all chewing, rose slightly. Output of plug chewing--37 percent of total chewing--was down 2 percent. Twist and fine-cut together made up the remaining 10 percent of total chewing tobacco production; twist was down some, but fine-cut gained moderately.

Most of the chewing tobacco output is consumed domestically. The 1966 U.S. consumption of chewing tobacco per adult male was 2 percent below 1965, and over a fifth less than 10 years ago. (See table 7.)

U.S. chewing tobacco exports--mainly twist and plug--were reported at 515,000 pounds for 1966--32 percent above 1965. Value of exports was \$559,000--up 45 percent. Australia--the leading U.S. outlet--took 3 percent more than a year earlier. A substantial quantity was reported shipped to the Netherlands and some to the Dominican Republic. The French Pacific Islands took slightly less than in 1965, but sharply less went to Panama, Netherlands Antilles, and Trust Territory of the Pacific Islands.

### Snuff

U.S. snuff production reached a long-time low in 1966. At 29½ million pounds, it was about 1 percent below 1965. In the past 10 years, snuff output has declined more than 8 million pounds, or over a fifth, and is expected to continue to edge downwards in the years ahead.

Virtually all U.S. snuff output is consumed in this country. Adult per capita consumption in 1966 was about 4 percent below 1965 and about a third below 10 years earlier. (See table 7.)

Table 11.--Chewing tobacco and snuff: Output by category for specified periods

Period	Chewing tobacco					Total	Snuff
	Plug	Twist	Fine-cut	Scrap			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.		
Average:							
1950-54	38.9	4.9	2.8	38.2	84.8	39.2	
1955	36.5	4.5	3.0	36.0	80.0	39.2	
1956	33.0	4.3	2.9	35.5	75.7	37.7	
1957	31.6	4.0	2.8	34.0	72.4	36.1	
1958	29.6	3.8	2.9	33.0	69.3	34.8	
1959	28.6	3.6	3.0	33.0	68.2	34.3	
1960	26.4	3.4	3.1	32.0	64.9	34.6	
1961	26.0	3.3	3.2	32.7	65.2	33.8	
1962	26.0	2.9	3.3	32.5	64.7	33.2	
1963	24.9	2.9	3.3	34.2	65.3	31.8	
1964	25.9	2.8	3.5	34.0	66.2	31.4	
1965	24.7	2.8	3.7	33.9	65.1	29.7	
1966 <sup>1/</sup>	24.3	2.7	3.9	34.2	65.1	29.5	

<sup>1/</sup> Subject to revision.

Compiled from reports of the Internal Revenue Service and Consumer and Marketing Service, USDA.

The Bureau of Labor Statistics wholesale price index for snuff declined 4 percent in November 1966, restoring it to the level of January-April. In December, however, it advanced 1½ percent and was unchanged in January 1967.

#### EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES <sup>1/</sup>

Exports of unmanufactured tobacco in 1966 totaled 551 million pounds (equivalent to about 625 million, farm-sales weight)--18 percent above 1965 and the largest in 20 years. The declared value of 1966 exports reached an all-time high of \$481½ million--26 percent above the previous year. Stimulating U.S. exports have been sanctions against Rhodesian tobacco, improved quality of recent flue-cured crops, and the export payment program. During 1955-64, annual exports averaged 498 million pounds and were valued at \$371 million.

Flue-cured made up 76 percent of total 1966 unmanufactured tobacco exports, burley 8 percent, and fire-cured about 5 percent.

Exports of flue-cured jumped 20 percent. Substantially larger quantities than the year before went to the United Kingdom, West Germany, Japan, Sweden, Thailand, Ireland, and South Vietnam. Reduced shipments went to the Netherlands, Australia, Belgium, and Egypt, while those to Denmark were nearly the same as in 1965.

<sup>1/</sup> Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 12.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)						
Country and type	Average 1958-62	1963	1964	1965 1/	1966 1/	1966 as a percentage of 1965
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Flue-cured	391.9	403.4	395.6	350.6	421.1	120
Burley	34.2	44.5	53.0	45.3	45.7	101
Maryland	12.0	10.7	12.3	10.1	10.6	105
Fire- and sun-cured	24.5	19.4	25.4	28.1	24.9	89
Green River	.8	.6	1.2	.6	.5	83
One Sucker	1.0	.5	.6	.9	.6	67
Black Fat, etc.	4.5	4.2	3.7	3.9	3.5	90
Cigar wrapper	4.2	4.6	5.2	3.9	4.5	115
Cigar binder	2.2	.8	1.6	2.5	1.9	76
Cigar filler	.5	.4	.6	.7	1.9	271
Perique	.1	.2	.2	.4	.4	100
Stems, trimmings, and scrap	6.9	16.1	15.1	21.1	35.6	169
<b>Total</b>	<b>482.8</b>	<b>505.5</b>	<b>514.5</b>	<b>468.1</b>	<b>551.2</b>	<b>118</b>
<b>Country of destination</b>						
United Kingdom	145.3	139.0	125.2	92.8	129.9	140
France	6.2	5.6	7.2	5.8	8.6	148
Belgium	17.5	16.3	17.5	18.8	17.5	93
Netherlands	29.2	29.7	33.1	37.2	28.8	77
West Germany	73.8	85.3	85.5	80.9	98.7	122
Portugal	7.3	6.0	8.0	3.7	3.8	103
Denmark	13.5	13.8	12.3	15.1	17.9	119
Ireland	14.4	14.5	11.2	10.6	13.5	127
Switzerland	12.0	11.5	15.0	12.6	16.9	134
Finland	6.8	9.1	5.5	6.1	4.7	77
Norway	7.6	7.3	7.2	6.0	9.3	155
Sweden	14.6	11.0	20.8	5.9	22.8	386
Italy	10.6	12.0	9.5	8.4	3.7	44
Spain	3.3	1.2	3.1	3.7	5.1	138
Thailand	9.4	9.1	11.1	11.8	17.7	150
S. Vietnam	4.2	8.5	10.1	7.3	12.4	170
Malaysia <sup>2/</sup>	3.5	5.3	5.7	6.6	7.3	111
Hong Kong	4.7	8.0	8.1	7.5	4.7	63
Japan	17.9	28.7	34.9	36.6	42.1	115
Australia	20.1	18.1	14.2	19.7	16.5	84
New Zealand	5.8	2.9	3.9	3.0	5.3	177
Egypt	10.3	15.2	15.2	18.4	12.0	65
Other countries	44.8	47.4	50.2	49.6	52.0	105
<b>Total</b>	<b>482.8</b>	<b>505.5</b>	<b>514.5</b>	<b>468.1</b>	<b>551.2</b>	<b>118</b>

1/ Preliminary.

2/ Malaysia and Singapore.

Compiled from publications and records of the Bureau of the Census.



Burley exports in 1966 were 1 percent above a year earlier but 14 percent below the record 2 years earlier. Exports to West Germany, Thailand, Denmark, Switzerland, Belgium, Australia, Finland, and Chile increased last year. Sweden took 4.8 million pounds (export weight); in 1965, none was exported there, but 1960-64 exports to that country averaged 4½ million pounds. Less burley than in 1965 went to Egypt, Mexico, the Netherlands, Portugal, Italy, and Hong Kong.

Exports of Maryland tobacco increased 5 percent. Swiss takings gained a little. Considerably more than the previous year went to West Germany, Spain, and Portugal, but less went to Belgium and the Netherlands. Fire-cured exports dropped more than a tenth, and there were also declines in the dark air-cured types and Black Fat. Exports of cigar wrapper and filler increased--the latter to the highest since 1949. Cigar binder exports dropped around a fourth, with both the Wisconsin and Connecticut Valley types sharing in the decline.

The United Kingdom--long the principal overseas market for U.S. leaf--boosted takings 40 percent above the comparatively low 1965 figure, and accounted for nearly a fourth of total exports. West Germany--the second ranking U.S. market--increased takings more than a fifth to the highest on record. Japan--ranking third--also took a record quantity, but the Netherlands--ranking fourth--cut its takings sharply. Sweden--the fifth ranking U.S. market--nearly quadrupled its relatively small 1965 takings. Other markets taking more U.S. tobacco than the year before include Denmark, Thailand, Switzerland, Ireland, South Vietnam, and Norway. Less tobacco went to Belgium, Australia, and Egypt.

In 1966, exports of tobacco for foreign currencies under Title I, P.L. 480, totaled about 26 million pounds valued at about \$19 million. The quantity was moderately less than the preceding year. Recipient countries and quantities taken were as follows: South Vietnam, 12.4 million pounds; Egypt, 6.2 million; Congo (Kinshasa), 2.9 million; Chile, 1.9 million; Ghana, 1.5 million; Pakistan, 0.5 million; India, 0.4 million, and Israel, 0.2 million.

Title III, P.L. 480, authorizes sales of agricultural commodities for materials and services from abroad. The legislation approved by the President on November 11, 1966, (P.L. 89-808), extending the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480) for 2 years beyond December 31, 1966, eliminated the requirement that a U.S. farm product be in "surplus" before it could be exported under the authorized programs; instead, "available" products will be shipped. In 1966, exports of tobacco under the barter program jumped to a record level of 86 million pounds--57 percent more than the previous year--and were valued at about \$66 million. Principal countries receiving barter tobacco were the United Kingdom, 23.1 million pounds; West Germany, 16.1 million; Japan, 11.1 million; Malaysia, 5.2 million; Taiwan, 4.8 million; Spain, 4.6 million; Finland, 4.1 million; Portugal, 3.9 million; Singapore, 2.4 million; Peru, 1.9 million; the Netherlands, 1.3 million; Dominican Republic, 1.1 million; and New Zealand, 1.1 million.

Title IV of P.L. 480, prior to the act's amendment last November, authorized sales under long-term dollar credit. This authorization is continued, but is now under Title I of the amended law. In 1966, sales under the former Title IV program totaled about 1 million pounds--only about a third as much as in the preceding year--and went mainly to Iceland, the rest to Ecuador and Sierra Leone.

Combined exports of tobacco under P.L. 480 programs totaled about 113 million pounds--about 20 percent of all unmanufactured tobacco exports. An estimated 4 million

Table 13.--Tobacco exports under Government-financed programs, 1955-66

Calendar year	Public Law 480				Total	Mutual Security and A.I.D. programs	Total under Government-financed programs	Total unmanufactured tobacco exports	Exports under Government-financed programs as percentage of total exports
	Title I, foreign currency sales	Title III, barter sales	Title IV, long-term dollar credit sales						
Quantity (export weight)									
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	
1955	43.8	---	---	43.8	2.3	46.1	540.3	8.5	
1956	71.2	---	---	71.2	4.3	75.5	510.4	14.8	
1957	35.8	---	---	35.8	---	35.8	501.0	7.1	
1958	37.9	0.5	---	38.4	2.6	41.0	481.8	8.5	
1959	56.5	19.5	---	76.0	5.5	81.5	465.6	17.3	
1960	31.2	27.3	---	58.5	22.8	81.3	496.1	16.4	
1961	26.0	61.3	---	87.3	20.5	107.8	501.0	21.5	
1962	28.5	50.3	0.4	79.2	.4	79.6	468.9	17.0	
1963	35.6	14.9	3.4	53.9	---	53.9	505.5	10.7	
1964	37.9	19.5	3.5	60.9	4.3	65.2	514.5	12.7	
1965	29.7	54.9	2.9	87.5	1.7	89.2	468.1	19.1	
1966 <u>1/</u>	25.8	86.0	1.0	112.8	4.3	117.1	551.2	21.2	
Value									
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	
1955	31.3	---	---	31.3	0.6	31.9	356.2	9.0	
1956	48.5	---	---	48.5	2.3	50.8	333.5	15.2	
1957	26.6	---	---	26.6	---	26.6	359.1	7.4	
1958	28.3	0.4	---	28.7	1.5	30.2	354.4	8.5	
1959	41.6	11.3	---	52.9	3.5	56.4	346.2	16.3	
1960	22.0	21.0	---	43.0	17.8	60.8	379.3	16.0	
1961	20.4	35.2	---	55.6	16.5	72.1	390.9	18.4	
1962	22.2	31.1	0.6	53.9	.3	54.2	373.4	14.5	
1963	25.1	9.1	2.9	37.1	---	37.1	403.1	9.2	
1964	24.3	11.9	3.7	39.9	2.8	42.7	412.9	10.3	
1965	19.4	38.8	2.5	60.7	1.4	62.1	382.7	16.2	
1966 <u>1/</u>	19.2	65.7	.8	85.7	3.8	89.5	481.5	18.6	

1/ Preliminary; subject to revision. Total unmanufactured tobacco exports include CCC credit sales (credits for relatively short periods); these sales amounted to about 1 million pounds in 1963, 300,000 pounds in 1965, but jumped to 15.9 million pounds in 1966.

pounds were exported in 1966 under Agency for International Development (AID) programs, the biggest share to Chile, and virtually all the rest to Tunisia, Trinidad, and the Dominican Republic. Including these, a total of about 117 million pounds were exported under specified Government-financed programs--about 21 percent of all unmanufactured tobacco exports. The quantity exceeded that of any previous calendar year, and the percentage was the highest since 1961.

In the fiscal year ending June 30, 1967, U.S. exports of unmanufactured tobacco may total around 580 million pounds--more than a fifth above 1965/66. During the first 7 months of the current fiscal year, exports were 26 percent ahead of those a year earlier.

#### Major Foreign Countries Exporting Tobacco

No official information is available on the size of Rhodesia's flue-cured crop for harvest in early 1967. The production goal had been set at 200 million pounds, with growers guaranteed an average return equivalent to about 33 U.S. cents a pound. Auction sales of the crop harvested in early 1967, to be conducted in complete secrecy as last year, reportedly begin March 29. The crop for 1968 harvest reportedly will be price-supported, but as of this writing a production goal or the price-support level had not been announced.

In Zambia, which had plans of expanding its flue-cured production to at least 40 million pounds as rapidly as possible, the flue-cured crop harvested in 1967 is estimated at 12½ million pounds--down from 14½ million the previous year. In 1964, a record 24 million pounds were produced. The decline in the crop harvested in 1967 has been attributed to smaller acreage, fewer producers, and late arrival of rains for planting.

Canada's 1966 flue-cured crop--the largest on record--is now estimated at 224 million pounds, about 40 percent above the previous year. The crop in Ontario, Canada's principal producing area, is estimated at 215 million pounds. Auction sales in Ontario (underway since November 10) totaled 205 million pounds through March 17, averaging a record 71.8 Canadian (about 66.4 U.S.) cents per pound. Sales in the previous season ended March 3, and totaled 154 million pounds averaging 66.0 Canadian (about 61 U.S.) cents. The Ontario Flue-cured Tobacco Growers' Marketing Board has estimated that a 1967 flue-cured crop of around 250 million pounds is needed to meet anticipated domestic and export requirements.

In January-October 1966, Canada exported about 32 million pounds of flue-cured tobacco--about an eighth less than a year earlier. About 85 percent was consigned to the United Kingdom. Other markets included West Germany, Denmark, and the Netherlands--all of which took more than a year earlier--and Belgium, which took less.

India's 1966 flue-cured crop, placed at 210 million pounds, was about 14 percent below a year earlier and 17 percent below the record 2 years earlier. Production in 1967 has been reported at 220 to 240 million pounds. Flue-cured exports in January-September 1966 totaled about 45½ million pounds--less than half the year-earlier figure. The reduction was mainly due to a steep drop in takings by the Soviet Union. Takings by the United Kingdom, which accounted for over half of the total, fell 25 percent. Indian exports to Japan and Hungary were up from year-earlier levels, but less went to Egypt, Belgium, and the Netherlands. A significant quantity was exported to West Germany, in contrast with none a year earlier and a negligible quantity 2 years earlier. India's flue-cured exports in 1967 are expected to be larger than in 1966.

Oriental tobacco production in Turkey in 1966 has been estimated at 364 million pounds--about a third above 1965 and second only to the record 1964 crop. Exports in January-November 1966 were about 142 million pounds--40 percent above a year earlier, mainly reflecting the huge 1964 crop. (Exports lag considerably behind production.) The United States accounted for three-fifths of the total, boosting takings 31 percent. Shipments to West Germany were more than  $2\frac{1}{2}$  times as large as a year earlier, and there were also sizable increases to Poland, East Germany, Czechoslovakia, Egypt, Austria, the Netherlands, France, and Soviet Union, but declines to Belgium and Italy.

The 1966 production of oriental tobacco in Greece was the smallest in 4 years; it was about 241 million pounds--about 9 percent below the previous year. Acreage was reduced below 1965, but is expected to increase in 1967. Unmanufactured tobacco exports in 1966 (from prior crops) totaled a record 178 million pounds--13 percent above 1965. The average value per pound was equivalent to about  $69\frac{1}{2}$  U.S. cents, compared with about 70 cents in 1965. Over a third of the total was consigned to West Germany and nearly a sixth went to the United States. Other major markets included the Soviet Union, France, Poland, Italy, Czechoslovakia, Japan, and Hungary.

Effective January 1, 1967, members of the European Economic Community (consisting of West Germany, Belgium, the Netherlands, Luxembourg, France, and Italy) reduced their import duties to member countries by an additional 5 percentage points, bringing them to only 20 percent of their original 1957 level. Greece, as associate member, receives this lowered duty on its tobacco, which also applies to the preferential import quota on Turkey's tobacco. This quota has been raised to nearly 39 million pounds in 1967 from about 30 million in 1966, and is divided as follows: West Germany, 23.3 million pounds; France, 5.6 million; Belgium and Luxembourg, 4.4 million; Italy, 3.3 million; and the Netherlands, 2.2 million.

#### British Tobacco Situation

Imports of unmanufactured tobacco into the United Kingdom in 1966 totaled 261 million pounds--8 percent less than the preceding year, and were the lowest in 14 years. Imports of Rhodesian tobacco, which ceased after February 1966, dropped to about 15 million pounds from nearly 84 million in 1965. Receipts from the United States were sharply higher than the relatively small year-earlier figure, and made up the largest percentage of the total--51 percent--since 1958. Tobacco imports from Canada also increased, but those from India fell more than an eighth. (See table 15.) Moderately more than in the year before came from Malawi, but considerably less from Zambia.

As usual, flue-cured made up over nine-tenths of total 1966 British tobacco imports. About 88 percent of flue-cured imports entered in stemmed form, compared with 85 percent in 1965, 71 percent in 1964, and only 32 percent in 1960. Principal sources and quantities of imported flue-cured tobacco were: United States, 129 million pounds; Canada, 39 million; India, 29 million; Rhodesia, 15 million; Zambia and Malawi, 10 million; and Union of South Africa,  $8\frac{1}{2}$  million.

The proportions of flue-cured entering in stemmed form were: United States, 93 percent; Canada, 91 percent; Rhodesia, 92 percent; Zambia and Malawi, 82 percent; Union of South Africa, 14 percent. As in the previous 3 years, virtually all 1966 flue-cured imports from India consisted of stemmed leaf.

The 1966 gross clearances of tobacco from bond in the United Kingdom--an approximate measure of home use and exports combined--increased 1 percent over 1965. The gain was due to larger exports of manufactured tobacco--principally cigarettes--

Table 14.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <u>1/</u>				Gross clearances from bond <u>4/</u>					Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
	Total	From U. S. <u>2/</u>	From Commonwealth countries <u>2/</u>	Stocks Dec. 31 <u>3/</u>	Total	By duty preference		By form			
						Nonpreferential <u>2/</u>	Preferential <u>2/</u>	Stemmed	Unstemmed		
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1950	306	144	146	445	271	180	91	50	221	43	4
1951	355	212	131	498	287	183	104	50	237	51	7
1952	224	67	143	430	280	172	108	45	235	47	12
1953	316	174	127	452	283	167	116	45	238	45	9
1954	312	160	139	468	290	168	122	45	245	41	4
1955	344	179	149	507	298	173	125	50	248	44	4
1956	318	160	146	523	300	173	127	59	241	45	3
1957	319	168	141	529	304	169	135	69	235	41	3
1958	316	164	145	529	310	172	138	74	236	41	2
1959	300	140	155	509	315	171	144	78	237	34	2
1960	365	178	180	538	319	167	152	88	231	31	5
1961	345	157	182	563	317	161	156	100	217	31	3
1962	280	106	168	540	307	153	154	107	200	28	4
1963	325	145	174	536	313	154	159	125	188	29	3
1964	313	123	181	541	308	146	162	157	151	26	4
1965	284	91	184	520	298	130	168	191	107	32	4
1966 <u>5/</u>	261	132	110	464	301	132	169	218	83	35	4
Percentage change											
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average:											
1957-59 to 1966	-16.3	-15.9	-25.2	-11.1	-2.9	-22.8	21.6	194.6	-64.8	-10.3	100.0
1965 to 1966	- 8.1	45.1	-40.2	-10.8	1.0	1.5	.6	14.1	-22.4	9.4	0

1/ Unmanufactured tobacco. 2/ The full duty rate on tobacco from the United States and other non-preferential areas is about 2 percent above the preferential rate on tobacco from Commonwealth areas. 3/ Beginning with 1957, stocks not strictly comparable with prior years. 4/ Largely withdrawals for manufactures for home use and export. 5/ Subject to revision.

Compiled from official United Kingdom sources.

Table 15.--Unmanufactured tobacco imports into the United Kingdom from major sources, 1950-66

Period	United States	Rhodesia, Zambia, and Malawi	India	Canada	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	143.7	78.5	48.1	15.8	10.8	1.0	7.9	305.8
1951	212.0	66.5	40.1	21.6	3.2	1.3	10.2	354.9
1952	66.8	70.2	38.3	32.7	.6	1.2	13.9	223.7
1953	174.2	68.2	31.4	24.1	2.4	.8	14.7	315.8
1954	159.7	76.8	36.2	24.9	2.8	1.4	10.7	312.5
1955	178.6	72.1	36.4	40.0	3.1	1.5	12.0	343.7
1956	160.3	84.4	40.0	21.7	2.6	1.4	8.0	318.4
1957	168.1	79.9	35.6	25.6	2.5	1.1	5.9	318.9
1958	163.9	74.6	44.7	23.4	1.0	.5	7.9	316.0
1959	140.1	86.8	37.4	29.7	.2	.4	5.7	300.3
1960	178.5	105.5	42.7	30.2	.4	.1	7.2	364.6
1961	157.1	102.0	43.6	34.8	.3	.4	7.1	345.3
1962	105.8	91.9	39.9	35.5	.1	.5	6.7	280.4
1963	145.1	101.3	39.5	32.3	.3	.1	6.0	324.6
1964	122.9	104.8	35.3	40.1	.9	.5	8.2	312.6
1965	90.9	1/109.6	36.2	36.6	.1	.4	10.6	284.4
1966 2/	132.2	1/32.6	31.1	40.2	1.3	.8	23.2	261.4
Percentage change								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Average:								
1957-59								
to 1966	-16.0	-59.5	-20.7	53.4	8.3	14.3	251.5	-16.1
1965 to 1966	45.4	-70.3	-14.1	9.8	---	100.0	118.9	- 8.1
Percentage distribution								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1950	47.0	25.7	15.7	5.2	3.5	0.3	2.6	100.0
1951	59.7	18.7	11.3	6.1	.9	.4	2.9	100.0
1952	29.9	31.4	17.1	14.6	.3	.5	6.2	100.0
1953	55.2	21.6	9.9	7.6	.8	.3	4.6	100.0
1954	51.1	24.6	11.6	8.0	.9	.4	3.4	100.0
1955	52.0	21.0	10.6	11.6	.9	.4	3.5	100.0
1956	50.4	26.5	12.6	6.8	.8	.4	2.5	100.0
1957	52.8	25.0	11.2	8.1	.8	.3	1.8	100.0
1958	52.0	23.6	14.1	7.4	.3	.2	2.4	100.0
1959	46.7	28.9	12.4	9.9	.1	.1	1.9	100.0
1960	49.0	28.9	11.7	8.3	.1	---	2.0	100.0
1961	45.5	29.5	12.6	10.1	.1	.1	2.1	100.0
1962	37.7	32.8	14.2	12.7	---	.2	2.4	100.0
1963	44.7	31.2	12.2	9.9	.1	---	1.8	100.0
1964	39.3	33.5	11.3	12.8	.3	.2	2.6	100.0
1965	32.0	38.5	12.7	12.9	---	.1	3.8	100.0
1966	50.6	12.5	11.9	15.4	.5	.3	8.8	100.0

1/ Imports from Rhodesia amounted to 83.6 million pounds in 1965 and 15.2 million in 1966.

2/ Preliminary. Basic data compiled from official United Kingdom sources.

since domestic use declined slightly. Gross clearances of flue-cured (over nine-tenths of total clearances) amounted to nearly 280 million pounds--up  $1\frac{1}{2}$  million from 1965. By source, they were: United States, 123 million pounds; Rhodesia (and Western Zambia), 79 million; Canada, about  $39\frac{1}{2}$  million; and India, 38 million. Compared with 1965, gross clearances of U.S. flue-cured gained nearly 2 million pounds, while those of Canadian and Indian gained about  $6\frac{1}{2}$  million and  $5\frac{1}{2}$  million, respectively; gross clearances of Rhodesian flue-cured dropped about  $12\frac{1}{2}$  million. U.S. flue-cured made up 43.9 percent of all reported flue-cured gross clearances in 1966--slightly higher than a year earlier. The proportion in 1966, however, ranged between 42 and 43 percent during January-July, rising to 45-46 percent in the remaining months of the year. It averaged 49.6 percent in 1960-64.

Net clearances of tobacco from bond (the measure of home consumption), at 238 million pounds, were nearly 1 percent below 1965 and 9 percent below the 1960 peak. Contributing to the downtrend in these clearances in recent years have been the sharply higher proportion in stemmed form, which provides more usable leaf from the same weight of tobacco, and the growth in filter tip cigarettes, which generally use less tobacco per unit than nonfilter tips. The number of cigarettes sold in 1966--a record 118 billion--was 5 percent above 1965, when cigarette sales dipped 2 percent below the previous year. The tobacco weight of 1966 cigarette sales, however, was only about 1 percent greater than 1965. Filter tip cigarettes comprised nearly 61 percent of total sales, compared with 53 percent in 1965 and about 42 percent in 1964. Cigarettes account for over 85 percent of total tobacco consumption in the United Kingdom. Sales of smoking tobacco, accounting for most of the rest, declined about 3 percent in 1966 from the year before.

U.K. exports of cigarettes in 1966 were the highest in 8 years, rising more than a tenth above 1965. Among markets increasing their takings were Kuwait, South Arabia and Aden, Singapore and Malaysia, West Germany, French Somaliland, and Persian Gulf States; those taking less included Hong Kong, France and Sudan.

Stocks of unmanufactured tobacco in the United Kingdom on December 31, 1966, at 464 million pounds, were 11 percent below a year earlier. Year-end holdings represented about  $18\frac{1}{2}$  months' use (as measured by gross clearances), compared with a ratio of 21.0 in 1965 and the 1960-64 average of 20.9.

Included in the 1966 year-end stocks were 219 million pounds of U.S. flue-cured tobacco. This was a little above a year earlier, but otherwise was the lowest in many years. Considered in relation to 1966 usings of U.S. flue-cured, these stocks represented about  $21\frac{1}{2}$  months' use, compared with a ratio of 21.0 in 1965 and the 1960-64 average of 22.7. Stocks of Rhodesian flue-cured on December 31, 1966, were down to 86 million pounds, compared with  $152\frac{1}{2}$  million a year earlier--highest for any December 31--and 146 million 2 years earlier. These stocks, considered in relation to 1966 usings, represented 13 months' use, compared with a ratio of 20.0 in 1965 and the 1960-64 average of about 18.5. December 31, 1966, stocks of Canadian flue-cured, at  $51\frac{1}{2}$  million pounds, were only slightly below the year-earlier level, but those of Indian, at 45 million, dropped 20 percent. Holdings of dark fire-cured from Malawi and air- and sun-cured from India were also below year-earlier levels, but air- and sun-cured from Malawi increased moderately.

UNITED STATES IMPORTS AND STOCKS OF FOREIGN-GROWN TOBACCO <sup>2/</sup>

In 1966, U. S. imports for consumption of foreign-grown tobacco, at about 179 million pounds, declined 2 percent below the previous year's record total. The value was about \$127 million (excluding import duties)--also down by about 2 percent.

Imports of cigarette leaf for consumption (direct entries plus withdrawals from bond) dipped 1 percent. Imports of Turkish and Greek leaf gained a little, but those from Yugoslavia fell about an eighth. The average values per pound of cigarette leaf imported for consumption in recent years, excluding the  $12\frac{3}{4}$ -cent import duty, follow:

Year	Turkey	Greece	Other	All countries
	Cents	Cents	Cents	Cents
1962	55.2	75.3	59.3	60.7
1963	54.4	77.8	59.0	60.2
1964	60.9	92.2	66.1	69.7
1965	67.2	97.7	75.0	76.2
1966	71.3	92.4	74.1	77.3

General imports (total arrivals) of cigarette tobacco (direct entries plus that placed in bond) jumped 42 percent above a year earlier, due mainly to larger arrivals from Turkey. (See table 17.) The average value of general imports from all countries was 67.1 cents a pound, compared with 73.6 cents in 1965 and 82.2 cents in 1964. On January 1, 1967, U. S. stocks of foreign-grown cigarette and smoking tobacco were largest for that date on record, totaling 329 million pounds (farm-sales weight equivalent)--14 percent above a year earlier.

A year beginning July may be a more appropriate period than a calendar year for considering general imports of cigarette leaf. These imports in recent fiscal years follow:

Year beginning July	Turkey	Greece	Other	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1961	130.5	33.9	18.9	183.3
1962	83.7	29.6	13.8	127.1
1963	34.2	45.0	15.9	95.1
1964	94.4	45.0	19.0	158.4
1965	126.6	35.5	23.9	186.0
July-January				
1965-66	34.9	7.1	4.8	46.8
1966-67	44.7	15.2	4.9	64.8

The 1966 imports for consumption of scrap (pieces of leaves used in cigar manufacture) fell 8 percent. More than in the previous year was imported from the Philippines, but considerably less was imported from Dominican Republic and Colombia. Imports for consumption of cigar filler rose moderately, principally due to increases from Colombia and Mexico.

<sup>2/</sup> Imports of tobacco are on a declared-weight basis and stocks are on a farm-sales weight basis.



Table 16.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	Average	1963	1964	1965	1966	1966 as a percentage of 1965
	1958-62			1/	1/	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.
Cigarette leaf						
Unstemmed:						
Turkey	74.0	84.5	72.3	83.6	84.3	101
Greece	31.8	28.8	30.9	36.0	36.6	102
Yugoslavia	5.6	9.6	10.2	12.9	11.4	88
Italy	1.7	1.7	1.6	1.4	.5	36
Cyprus	1.0	.6	.8	.8	.7	88
Syria	.8	.4	.4	.2	.3	150
Total 2/	117.5	128.4	118.4	137.9	137.1	99
Flue-cured and burley	3/2	.6	.4	.3	1.0	333
Cigar leaf (filler)						
Cuba:						
Stemmed	6.6	1.0	.5	.2	.2	100
Unstemmed	3.7	1.4	1.5	.6	.2	33
Philippine Republic:						
Stemmed	.2	.9	.4	4/	4/	---
Unstemmed	.1	4/	4/	4/	.1	---
Colombia	.2	.2	.3	.1	.6	600
Brazil	.2	.6	.8	.6	.6	100
Paraguay	.1	.1	.1	.4	.2	50
Dominican Republic	.3	.3	.7	.8	.7	88
Mexico	4/	.6	.8	1.0	1.3	130
Total 2/	11.7	5.3	5.9	4.3	5.0	116
Scrap:						
Cuba	12.5	3.3	2.3	1.6	1.4	88
Philippine Republic	8.7	12.9	14.1	14.1	17.1	121
Peru	.4	.2	4/	.3	.2	67
Colombia	.9	5.3	8.0	5.5	3.9	71
Dominican Republic	.9	5.2	9.3	7.6	3.3	43
Netherlands	.1	.1	.1	4/	.2	---
Indonesia	.2	1.0	2.1	1.3	.9	69
Brazil	.1	1.9	3.8	3.6	3.5	97
Argentina	.1	.4	.5	.4	.3	75
Paraguay	4/	.4	.6	.9	1.4	156
Total 2/	25.1	33.0	42.9	38.9	35.6	92
Cigar wrapper (unstemmed):						
Cuba	.6	.2	.1	4/	4/	---
Cameroon Republic	4/	4/	4/	.1	.1	100
Honduras	4/	4/	4/	.1	.1	100
Total 2/	.6	.3	.2	.2	.3	150
Total imports 5/	155.8	167.8	168.7	182.6	179.3	98

1/ Preliminary.

2/ Includes relatively small quantities from other countries not separately listed.

3/ 1960-62 average.

4/ Less than 50,000 pounds.

5/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 17.--United States general imports of tobacco from principal supplying countries, for specified periods

Classification and country of origin	(Declared weight)						1966 as a percentage of 1965
	Average 1958-62	1963	1964	1965	1966		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Pct.	
Cigarette leaf (unstemmed):							
Turkey	88.9	67.4	68.1	79.8	124.6	156	
Greece	31.7	41.7	46.4	35.7	34.1	96	
Other countries	15.3	11.0	18.7	14.0	25.0	179	
Total	135.9	120.1	133.2	129.5	183.7	142	
Scrap:							
Turkey	1.0	.7	.1	7.1	4.6	65	
Flue-cured and burley	1/.2	.7	.5	1.0	1.8	180	
Cigar wrapper (unstemmed):							
Cuba 2/	.5	0	0	0	0	---	
Cameroon Republic	3/	.1	.1	.1	.1	100	
Honduras	0	.1	.1	.1	.1	100	
Total 4/	.6	.2	.2	.4	.3	75	
Cigar filler (stemmed):							
Cuba 2/	6.8	0	0	0	0	---	
Philippine Republic	.2	2.3	1.2	2.2	3/	---	
Brazil	3/	1.9	.2	.2	.5	250	
Mexico	3/	.2	.5	.5	.7	140	
Dominican Republic	0	.2	.5	.9	.1	11	
Honduras	3/	.1	.2	.2	.3	150	
Total 4/	7.0	5.1	3.1	4.2	1.9	45	
Cigar filler (unstemmed):							
Cuba 2/	16.5	0	0	0	0	---	
Philippine Republic	1.5	.1	1.2	.8	1.0	125	
Dominican Republic	3.0	6.5	22.1	2.5	.6	24	
Colombia	3.0	8.8	17.3	7.0	4.2	60	
Brazil	.7	2.3	10.2	9.3	1.3	14	
Paraguay	.6	.8	1.2	1.8	.5	28	
Indonesia	.7	1.9	6.2	2.5	.1	4	
Netherlands	.3	3/	.2	0	3/	---	
Peru	1.3	0	0	2.1	0	---	
Argentina	.1	3/	1.6	.2	.1	50	
Mexico	.1	.9	2.1	2.3	3.0	130	
Jamaica	.1	3/	0	3/	3/	---	
Other countries	3/	.2	.4	1.1	1.1	100	
Total	27.9	21.7	62.5	29.6	12.1	41	
Scrap:							
Cuba 2/	6.6	0	0	0	0	---	
Philippine Republic	8.8	10.2	15.0	23.9	15.5	65	
Dominican Republic	3/	.6	1.1	1.0	.2	20	
Colombia	3/	3/	0	0	3/	---	
Brazil	.1	.1	.8	.1	.3	300	
Paraguay	.1	.1	.1	.1	.4	400	
Indonesia	3/	3/	.3	3/	3/	---	
Netherlands	.1	.2	0	3/	3/	---	
Argentina	.1	.4	.3	.1	.1	100	
Honduras	3/	3/	.1	.1	.1	100	
Other countries	.6	.4	.6	.6	.5	83	
Total	16.4	12.0	18.4	25.9	17.0	66	
Total cigar tobacco	51.9	38.9	84.1	60.1	31.4	52	
Grand total	188.9	160.3	218.0	197.7	221.5	112	

1/ 1960-62 average. 2/ For 1958-61 (pre-embargo) years, average exports were wrapper, 0.6 million pounds; stemmed filler, 8.1 million; unstemmed filler, 19.7 million; and scrap, 7.8 million. 3/ Less than 50,000 pounds. 4/ Includes quantities from other countries not separately listed. Detail may not add to total, due to rounding.

Note: General imports include all arrivals in the United States as distinguished from "imports for consumption".

Total arrivals (general imports) of cigar tobacco in 1966 were sharply below the relatively high levels 1 and 2 years earlier. (For details on arrivals and stocks by country or origin, see page 45.)

#### OUTLOOK AND SITUATION FOR TOBACCO LEAF

##### Flue-Cured, Types 11-14

##### Prices and Price Support

The 1967 crop will be supported at 59.9 cents per pound--1.1 cents higher than for 1966. The increase in the overall support level for 1967 is based on a comparison of the parity index in 1964-66 with its 1959 level; this index--a measure of prices paid by farmers--averaged 8 percent higher in 1964-66 than in 1959. Accordingly, as specified by law, the support level for the 1967 crop of tobacco was increased by 8 percent from the 1959 level. The 1967 support level is about 2 percent above the 1966 level; there was also an increase of about 2 percent from 1965 to 1966. Support prices rose about 1 percent a year in the 4 previous years.

The 1966 season average price received by growers of flue-cured tobacco was 67 cents a pound--3.7 percent above 1966 and above any previous year. Auction prices did not average a new high in every Belt, however. Tobacco in the Middle Belt (type 11-b) and Old Belt (type 11-a) was grown under adverse weather conditions and prices in these Belts averaged second- and third-highest for any season, respectively. Also, the congested marketing situation in early October and the withdrawal of some buyers probably had an adverse effect on prices in these two Belts--the last to commence marketings.

About 44 percent of the total crop was sold in untied form in 1966, compared with 24 percent in 1965. In 1966, the percentages of each type's production sold untied were: type 11-a, 25.3 percent; type 11-b, 34.7 percent; type 12, 35.0 percent; type 13, 53.5 percent; and type 14, 100 percent. In type 14 markets, the first to open, all tobacco has always been marketed untied with price support for the whole marketing period. In types 13, 12, 11-b and 11-a markets, untied tobacco in 1966 received price support for only the first 12 days of their respective marketing periods--each type's markets starting on successively later dates. The average of prices paid for untied tobacco was comparatively close to the season average of prices paid for tied tobacco. In the type 11-a and 11-b Belts, the average prices for tied tobacco for the season as a whole were below the average prices for untied tobacco during the initial 12-day period when untied tobacco was marketed.

Growers placed  $74\frac{1}{2}$  million pounds--6.7 percent of the crop--under Government loan during the 1966 marketing season. About the same proportion went under loan in the 1965 season--both recent years being far below 1964 and 1963 when over 20 percent went under loan. In the 12 months ended February 28, 1967, about 240 million pounds were sold from Government loan stocks--165 million more than received during the 1966 season. Unsold loan stocks on hand March 1, 1967, totaled 668 million pounds--down 20 percent from a year earlier, and down 29 percent from 2 years earlier.

##### Supplies

The 1967 national quota announced November 23, 1966, was about the same as 1966 and 1965; but adjustments in individual farm quotas and matching acreage allotments to reflect the net cumulative undermarketings of the past 2 seasons is expected to result

Table 18.--Marketing quota referendums, by kinds of tobacco

Kind (type numbers in parentheses) and basis of quotas <u>1/</u>	Last referendum				Next referendum	
	Date	Crops to which applicable	Number voting	Percentage voting in favor of quota <u>2/</u>	Probable date <u>3/</u>	Crops to which applicable
Flue-cured (11-14) Acreage-poundage	May 4, 1965	1965-67	229,880	73.6	Dec. 1967	1968-70
Burley (31) Acreage allotments	*Feb. 25, 1965	1965-67	361,167	99.0	Feb. 1968	1968-70
Acreage-poundage	Feb. 27 - Mar. 3, 1967	1967-69	341,539	58.8	<u>4/</u>	<u>4/</u>
Maryland (32)	Feb. 20-24, 1967	1967-69	6,375	61.0	Feb. 1968	1968-70
Fire-cured (21-23)	Feb. 13-17, 1967	1967-69	13,783	93.5	Feb. 1970	1970-72
Dark air-cured (35-36)	Feb. 13-17, 1967	1967-69	13,695	93.0	Feb. 1970	1970-72
Va. sun-cured (37)	Feb. 25, 1965	1965-67	1,169	97.5	Feb. 1968	1968-70
Pa. filler (41)	Feb. 18, 1965	1965-67	3,206	11.8	Feb. 1968	1968-70
Cigar binder (51-52)	Feb. 10, 1966	1966-68	354	96.6	Feb. 1969	1969-71
Cigar filler and binder (42-44, 53-55)	Feb. 10, 1966	1966-68	3,659	91.3	Feb. 1969	1969-71

1/ Quotas based on acreage allotments unless otherwise specified.

2/ A majority of two-thirds or more of farmers voting is required for marketing quotas to become effective under the acreage allotment program or acreage-poundage program.

3/ Probable month, but referendums can occur earlier if warranted by pertinent considerations.

4/ See text discussion, page 31.

\* Polls kept open February 26, because of severe snow storms in some areas.



in a considerably larger crop in 1967 than in either of the past 2 years. Undermarketings exceeded overmarketings in both 1966 and 1965 by a considerable margin. Farms with previous undermarketings have larger quotas in 1967, while farms with previous overmarketings have smaller quotas.

According to the March 1 intentions, 623,570 acres will be grown this year--3 percent more than in 1966. Application of an average yield per acre--which takes into account the modified trend due to the restraints of farm poundage quotas--to the intended acreage points toward a 1967 production of about 1,200 million pounds. A crop this size would be about  $8\frac{1}{2}$  percent above 1966 marketings and 13 percent above 1965.

Carryover of flue-cured tobacco in mid-1967 is estimated at about 2,255 million pounds--approximately 185 million pounds below mid-1966 and about 300 million below the record figure of mid-1965. If 1967 marketings should equal 1,200 million pounds, 1967/68 total supply would approximate 3,455 million pounds--about 90 million below 1966/67. This will be the third successive year of downward adjustment from the high level of 1964/65 when supplies totaled a record 3,774 million pounds.

### Domestic Use and Exports

U. S. output of cigarettes (the principal outlet for flue-cured) during the year ending June 30, 1967, may be a little larger than a year earlier. Domestic use of flue-cured seems likely to show little change from the 752 million pounds used in 1965/66. The continuing trend towards filter tip brands, most of which require less tobacco per unit of output, and the increased use of reconstituted sheet tobacco prevent a rise in leaf usage commensurate with the increase in cigarette output.

Exports of flue-cured tobacco in the year ending June 30, 1967, seem likely to range between 525 and 545 million pounds (farm-sales weight)--over 100 million pounds more than in 1965/66 and probably third-largest on record. (In 1955/56 and 1946/47, flue-cured exports reached 553 million pounds.) The sanctions against Rhodesian tobacco, the export payment program, and the improved quality of the past 2 crops are the principal factors accounting for the substantial increase in flue-cured exports.

During July 1966-January 1967, exports of flue-cured were 31 percent ahead of those in the corresponding period a year earlier. Shipments to both the United Kingdom, our leading outlet, and to West Germany, our second-ranking outlet, increased over 39 percent from a year earlier; but shipments to Japan, our third-ranking outlet, were down about 6 percent. There were increases from a year earlier of 30 to 80 percent in exports to Ireland, Denmark, Belgium, Finland, Switzerland, New Zealand, and South Vietnam. The July 1966-January 1967 quantity sent to Sweden was more than four times that of a year earlier. Quantities to France and Italy more than doubled; and exports to Norway and Thailand about doubled. Spain and Austria each took a sizable quantity, in contrast with very small shipments there a year earlier. On the other hand, exports to the Netherlands and Portugal were off 28 and 36 percent, respectively, from a year earlier, while those to Egypt were down 66 percent. Australia took only a little less than in the year-earlier period, and less also went to Hong Kong, Malaysia and Pakistan. The Philippine Republic increased its takings significantly and Taiwan raised its takings a bit.

## Burley, Type 31

Acreage-Poundage Program  
Disapproved by Burley Growers

In a referendum conducted by mail ballot during February 27-March 3, burley growers disapproved acreage-poundage quotas for the 1967, 1968, and 1969 crops. About 59 percent of those voting favored quotas on an acreage-poundage basis; however, a more than two-thirds favorable vote was necessary to place an acreage-poundage program in effect. The acreage allotment program thus remains in effect for burley. Marketing quotas on an acreage basis had been approved for the 1965, 1966, and 1967 crops by growers in a referendum held February 25 and 26, 1965.

By States, percentages of those favoring acreage-poundage quotas in the recent referendum were as follows:

<u>State</u>	<u>Percent</u>	<u>State</u>	<u>Percent</u>
Kentucky	76	Indiana	56
Tennessee	16	Missouri	37
Virginia	42	West Virginia	59
North Carolina	64	Others	66
Ohio	70		

A referendum will be held in late 1967 or early 1968 for growers to determine whether they favor continuation of the present acreage allotment program for the 1968, 1969, and 1970 crops. Under the law, an acreage-poundage program cannot be offered again for burley until the 1969 crop. An acreage-poundage program cannot be offered for the first year of a 3-year period of marketing quotas on an acreage allotment basis. Since the next 3-year period starts with the 1968 crop, the earliest crop for which an acreage-poundage determination can be made is the 1969 crop.

An acreage-poundage program for the 1966-68 burley crops had previously been offered to growers, but was disapproved in a referendum held in March 1966. In that referendum, the favorable vote was 57 percent, also short of the more than two-thirds majority necessary to place an acreage-poundage program in effect.

Prices and Price Support

Auction prices for the 1966 burley crop averaged 67 cents a pound--equaling the previous year's high. Markets opened November 28, and the season ended March 21, with a clean-up sale at Lexington. Gross volume sold was up a little from the previous year; resales were somewhat larger. About 63 percent of estimated producers' sales were made by December 20, when markets closed for the holidays. The year before, 75 percent of the crop had been sold by the holiday shutdown.

Overall quality of the 1966-crop marketings was lower than in the preceding year, with high moisture tobacco in some areas. However, around 70 percent of the grade prices were up, mainly by 1 to 2 cents a pound, the rise in many cases paralleling a similar increase in the respective grade support price. Around 20 percent of the grades showed no change from the previous year, while the remaining 10 percent showed declines. Price spreads between the C4F grade (one of the major cigarette grades) and some representative medium- and heavy-bodied grades narrowed further to the smallest in several years. (See table 20.)

Table 20.--Burley tobacco: Price spreads among specified grades, average 1953-55, annual 1956-66

Period	Average price of C4F	Cents per pound lower than C4F							
		X4F	C4R	B4F	B4FR	B4R	T4R	NIG	
	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	Ct. per lb.	
Average: 1953-55	64	1	6	8	15	23	28	43	
1956	66	1	1	1	1	1	2	14	
1957	67	1	3	4	7	10	13	29	
1958	70	1	2	2	3	4	7	20	
1959	70	1	2	2	7	12	17	32	
1960	70	1	2	2	5	9	13	25	
1961	71	1	4	3	5	8	10	15	
1962	71	1	4	5	10	17	22	37	
1963	71	1	6	5	12	20	26	42	
1964	72	1	6	5	11	18	24	40	
1965	73	1	6	5	8	13	15	28	
1966	74	1	6	4	9	13	13	25	

The Government support level for the 1966 crop was 60.6 cents a pound. Growers placed about 63 million pounds under loan, equal to about 11 percent of estimated producers' sales. This was a larger quantity and percentage than in the previous season, but sharply below 1963 and 1964. As of February 28, 1967, Government loan stocks of burley amounted to 311 million pounds (farm-sales weight), compared with 294 million a year earlier and 341 million 2 years earlier. About 27 million pounds from the February 1967 holdings have been sold.

The price support level for the 1967 burley crop will be 61.8 cents a pound--1.2 cents or 2 percent above the average level for the 1966 crop.

### Supplies

The 1966/67 total supply of burley is estimated at 1 percent below a year earlier and about  $2\frac{1}{2}$  percent below the peak 2 years earlier. Carryover was down some from the previous year, but estimated producers' sales about equaled those in the 1965 season, despite a 13-percent reduction in acreage. Yields per acre averaged highest on record.

Farmers' March 1 intentions indicated that 240,800 acres of burley would be grown in 1967--the same as harvested in 1966. Allotments for most farms are the same as in 1966. Based on an average yield with an allowance for trend, the 1967 burley crop would be 590 million pounds, fairly close to 1966 marketings. Carryover of burley on October 1, 1967, is estimated around 1,360 million pounds--about 35 million less than last October 1. If the crop should turn out near 590 million pounds, total 1967/68 supplies--production plus the indicated carryover--would be around 1,950 million pounds,  $1\frac{1}{2}$  percent less than for the current marketing year.



Table 21.--Burley tobacco, type 31: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, Oct. 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	470	1,347	1,817	518	484	34
1956	506	1,299	1,805	510	482	28
1957	488	1,295	1,783	506	478	28
1958	465	1,277	1,742	518	483	35
1959	502	1,224	1,726	535	499	36
1960	485	1,191	1,676	549	508	41
1961	580	1,127	1,707	570	525	45
1962	675	1,137	1,812	584	531	53
1963	755	1,228	1,983	571	514	57
1964	620	1,412	2,032	616	560	56
1965	586	1,416	2,002	607	550	57
1966 <sup>2/</sup>	*585	1,395	1,980			
Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan		Remaining in Government loan stocks on February 28, 1967 <sup>4/</sup>		
Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	58.6	46.2	73.1	15.6	0	
1956	63.6	48.1	6.0	1.2	0	
1957	60.3	51.7	16.6	3.4	0	
1958	66.1	55.4	11.2	2.4	0	
1959	60.6	57.2	13.2	2.6	0	
1960	64.3	57.2	8.4	1.7	0	
1961	66.5	57.2	10.3	1.8	0	
1962	58.6	57.8	63.5	9.4	28.4	
1963	59.2	58.3	202.3	26.8	95.0	
1964	60.3	58.9	110.4	17.8	83.3	
1965	67.0	59.5	42.4	7.2	41.4	
1966	*67.0	60.6	62.9	10.8	5/62.9	
1967		61.8				
Total	---	---	620.3	---	6/311.0	

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Through 1959--90 percent of parity price; 1960 set at 1959 level; from 1961 on, adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

<sup>4/</sup> Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures.

<sup>5/</sup> Includes total receipts in 1966 season.

<sup>6/</sup> About 27 million pounds of these holdings have been sold.

\* Indicated by sales data.

Domestic Use and Exports

Domestic use of burley in 1965/66 declined nearly 2 percent from the unusually large figure for 1964/65. Domestic use in 1966/67 is expected to increase some from 1965/66.

Burley exports in 1965/66 were a little above a year earlier and about equal to the high 2 years earlier. In the first 4 months of the current marketing year (October 1966-January 1967), burley exports (farm-sales weight) were 9 percent below a year earlier. None was reported shipped to the Republic of the Congo or to Egypt, which a year earlier took over 2 million and about  $1\frac{3}{4}$  million pounds (farm-sales weight), respectively. There were also reductions in exports to Portugal, the Netherlands, Australia, Belgium, Chile, and Hong Kong. But exports to West Germany (the leading outlet) and Denmark rose 32 and 25 percent, respectively. Exports to Switzerland, Mexico, and Finland were also higher than a year earlier. Substantial quantities went to Thailand, Sweden, and Italy, in contrast with none a year earlier.

Maryland, Type 32 3/

Prices and Price Support

Auctions for the 1966 Maryland crop are scheduled to open April 11 and continue through June 30. Sales will also be held at the Baltimore hogshead market, where approximately an eighth of the crop has been sold in recent years.

The 1966 crop will not receive Government price support, since growers disapproved a marketing quota for this crop in a February 1966 referendum. The 1967 crop also will not be eligible for price support when it is marketed next year, because growers disapproved a marketing quota for the 1967 crop in a referendum conducted by mail ballot during February 20-24, 1967. The percentage voting in favor of marketing quotas was 61 percent; at least a two-thirds majority was necessary to place marketing quotas into effect. Growers will have another opportunity to vote in a referendum in 1968 on whether to have quotas on the 1968, 1969, and 1970 crops.

The average price for the 1965 crop (marketed mostly in 1966) was 65.3 cents a pound, highest on record. About 7 percent of the crop went under Government loan.

Supplies

The 1966/67 supply of Maryland is 1 percent below the record high of the previous year but above any other year. The 1966 crop is estimated to be 2 percent smaller than the previous year, and January 1, 1967, carryover was slightly below the year-earlier peak.

Based on farmer's intentions as of March 1, about 32,000 acres will be grown this year--11 percent below 1966. Acreage allotments are not in effect, since growers disapproved marketing quotas.

Based on an average yield with allowance for trend, about 36.8 million pounds would be produced from the 1967 intended acreage--1 million below estimated 1966

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3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of the January 1 falling within the marketing year, October 1 through September 30. Disappearance is calculated on the October-September basis.



outturn. Carryover next January 1 may be around 92 million pounds--approximately 2 million above last January 1 and probably a new high. The 1967/68 total supply--production plus carryover--is indicated at about 129 million pounds, 1 percent above the previous year.

#### Domestic Use and Exports

Domestic use of Maryland tobacco in 1965/66 increased for the second year in a row to the highest in 8 years. The chief outlet for Maryland tobacco is in the manufacture of cigarettes, which in the 1965/66 marketing year rose slightly. Certain grades of Maryland are also used as cigar filler.

Exports of Maryland tobacco in 1965/66 jumped 15 percent above the 10-year low of 1964/65. In the first 4 months of the current marketing year (October 1966-January 1967), exports were about a fifth above a year earlier. Switzerland, the principal outlet as usual, increased takings 48 percent, and Portugal boosted its takings 55 percent. A substantial quantity was shipped to Spain, and shipments to South Vietnam increased. On the other hand, there were sharp reductions to West Germany, Belgium, and the Netherlands.

#### Fire-Cured, Types 21-23

#### Prices and Price Supports

Auctions for Virginia fire-cured, type 21, began December 5 and ended February 9. Sales volume dropped about a fifth to the second smallest on record; quality was a little better than that of the 1965 crop. The auction average, at 41.1 cents a pound, was 3 percent above the previous year and was exceeded only by the average price in the 1964 season.

Auctions for Kentucky-Tennessee fire-cured, types 22 and 23, began during the third week of January, and final sales were made on March 3 for type 23 and on March 22 for type 22. Gross sales for type 22 amounted to 26.8 million pounds, and averaged 41.9 cents a pound--4 percent less than a year earlier. Gross sales on type 23 markets totaled 10.2 million pounds, and the price average was 40.1 cents a pound--2 percent below a year earlier.

The Government price-support level for the 1966 crop of fire-cured was 41.1 cents a pound. During the season just ended, growers of Virginia fire-cured placed about 623,000 pounds under Government loan, substantially less than in the previous season but above the 1963 and 1964 seasons. Placements represented 8 percent of estimated marketings, compared with 11 percent the year before.

Growers of Kentucky-Tennessee, type 22, placed about 5.2 million pounds under loan--around 18 percent of the estimated crop. Placements were sharply higher than the year before, when 1.8 million pounds--7 percent of net sales--went under loan. Season loan deliveries of type 23 amounted to 902,000 pounds, about 9 percent of estimated producers' sales. In the previous season, 506,000 pounds--5 percent of net sales--went under loan.

In a referendum conducted by mail ballot during February 13-17, 1967, nearly 94 percent of the growers of the three fire-cured types voting approved marketing quotas for the 1967, 1968, and 1969 crops.



Table 24.--Fire-cured tobacco, types 22-23: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)						
Year	Production	Stocks, Oct. 1	Supply	Disappearance <sup>1/</sup>		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	54.7	110.5	165.2	52.0	24.6	27.4
1956	59.9	113.2	173.1	52.3	27.5	24.8
1957	41.9	120.8	162.7	53.3	29.5	23.8
1958	33.9	109.4	143.3	44.1	24.6	19.5
1959	43.1	99.2	142.3	41.1	22.5	18.6
1960	36.5	101.2	137.7	44.9	23.9	21.0
1961	43.3	92.8	136.1	46.7	17.2	29.5
1962	44.6	89.4	134.0	40.8	21.1	19.7
1963	49.7	93.2	142.9	41.4	19.6	21.8
1964	46.0	101.5	147.5	42.7	21.7	21.0
1965	36.6	104.8	141.4	45.6	18.0	27.6
1966 <sup>2/</sup>	39.0	95.8	134.8			
Average price per pound	Price support level <sup>3/</sup>	Placed under Government loan		Remaining in Government loan stocks on February 28, 1967 <sup>4/</sup>		
Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	38.4	34.6	7.9	14.4	0	
1956	36.1	36.1	18.6	31.1	0	
1957	36.4	38.8	13.9	33.1	0	
1958	38.1	38.8	4.4	12.0	.5	
1959	38.3	38.8	5.3	12.3	1.3	
1960	43.3	38.8	3.2	8.7	2.6	
1961	40.2	38.8	5.1	11.8	3.1	
1962	38.7	39.2	8.6	19.3	5.2	
1963	36.9	39.6	13.0	26.2	6.0	
1964	41.0	40.0	7.2	15.7	5.6	
1965	43.6	40.4	2.3	6.3	2.1	
1966	*41.4	41.1	6.1	15.6	5/6.1	
1967		41.9				
Total	---	---	95.6	---	32.5	

<sup>1/</sup> Year beginning October 1.

<sup>2/</sup> Subject to revision.

<sup>3/</sup> Through 1957--75 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent calendar years.

<sup>4/</sup> Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

<sup>5/</sup> Includes total receipts in 1966 season.

\* Auction sales average.

The 1967 crop of fire-cured will receive Government price support at an overall level of 41.9 cents a pound--about 2 percent above the level in effect for the 1966 crop.

### Supplies

The 1966/67 total supply of fire-cured, estimated at 159 million pounds, is 4 percent smaller than that in the preceding year. The supply of Virginia fire-cured is down 3 percent, while the supply of the Kentucky-Tennessee types is down 5 percent.

According to farmers' intentions as of March 1, about 20,500 acres of Kentucky-Tennessee fire-cured and 5,900 acres of Virginia fire-cured will be grown in 1967. Intended acreage of Kentucky-Tennessee fire-cured is down 3 percent from last year, while that of Virginia fire-cured is down 2 percent. Acreage allotments for most farms are about the same as for 1966. If the yield per acre equals the average (with allowance for trend), production of the combined fire-cured types would be about 46 million pounds--slightly below the estimated 1966 crop.

Carryover of fire-cured on October 1, 1967, may be around 107 million pounds--5 or 6 million less than last October 1. Such stocks, plus the indicated crop, would provide a total 1967/68 supply of 153 million pounds--6 million smaller than for the current year.

### Domestic Use and Exports

In 1965/66, domestic use of fire-cured, at about 21 million pounds, was the lowest in many years. Domestic use of both the Virginia and Kentucky-Tennessee kinds declined below 1964/65. Exports, however, increased substantially, with a big gain in the Kentucky-Tennessee types.

During the first 4 months of the current marketing year (October 1966-January 1967), exports of Kentucky-Tennessee fire-cured dropped 42 percent below the comparatively high level a year earlier, but were near the average for the corresponding periods in the 1962-64 marketing years. The Netherlands reduced takings by 46 percent; and only a negligible quantity was reported exported to the Republic of the Congo, in contrast to more than 2 million pounds (farm-sales weight) a year earlier. Shipments to Switzerland and Belgium were also smaller but those to South Vietnam increased. Also, a substantial quantity went to Sweden, which had taken none in the comparable months 1 and 2 years earlier.

Exports of Virginia fire-cured in October 1966-January 1967 were 30 percent larger than a year earlier. A big jump occurred in exports to Norway, the leading market, and to Sweden. Takings by West Germany and the United Kingdom also increased, and significant quantities went to South Vietnam and Austria. Exports to Switzerland dropped a third.

### Dark Air-Cured and Sun-Cured, Types 35-37

### Prices and Price Supports

Auction markets for type 35 (One Sucker), type 36 (Green River), and type 37 (Virginia sun-cured) opened during the first week of December and closed on January 20 for type 37 and on February 3 for types 35 and 36. The price average for type 35 was 37.5 cents a pound--slightly above the previous year. Sales volume rose a fifth above

the preceding season's relatively low total; quality of offerings was about the same. Auction sales of type 36 averaged 36.3 cents--1 percent above the preceding year and second highest on record. Volume sold increased 7 percent; there was considerable improvement in quality compared with the previous crop. For all auction sales of Virginia sun-cured, the price average was 42.2 cents--3 cents (8 percent) higher than the year before and a new peak. Poundage sold dropped a fourth to the second-smallest on record; general quality was improved over that of the 1965 crop. About 14 percent of the Virginia sun-cured volume was sold on the fire-cured markets.

The Government support level for the 1966 crop of dark air-cured and sun-cured was 36.6 cents a pound. In the season recently ended, growers of One Sucker placed about 2.3 million pounds under loan--16 percent of marketings. In the previous year, placements were 1.4 million pounds, 12 percent of marketings. Type 36 loan placements also totaled 2.3 million pounds, but were equal to about 33 percent of marketings. The quantity was the largest in 3 years and the percentage was the largest in 18 years. Loan placements of Virginia sun-cured were negligible, amounting to approximately 9,500 pounds or less than 1 percent of the crop.

Ninety-three percent of growers of dark air-cured types 35-36 voting in a referendum (conducted by mail ballot) during February 13-17, 1967, approved marketing quotas for the 1967, 1968, and 1969 crops. Approval by at least two-thirds of those voting was required to continue quotas in effect. Growers of Virginia sun-cured, type 37, had approved marketing quotas on their 1965-67 crops in a February 1965 referendum.

The overall Government price support level for the 1967 crops of dark air- and sun-cured will be 37.3 cents a pound--about 2 percent above the support level in effect for the 1966 crop.

### Supplies

The 1966/67 combined supply of dark air-cured and sun-cured, at about  $87\frac{3}{4}$  million pounds, is 1 million pounds more than in 1965/66. The supply of Virginia sun-cured is down 8 percent but the supply of dark air-cured, types 35-36, is up a little due to increased marketings.

According to farmers' intentions on March 1, about 10,500 acres of dark air-cured and 1,300 acres of sun-cured will be grown in 1967. Prospective acreage of types 35-36 is down about 2 percent, and that of Virginia sun-cured is down about 7 percent. For most farms, 1967 acreage allotments are the same as in 1966. Based on an average yield per acre, with allowance for trend, 1967 production of dark air-cured and sun-cured would be 21.8 million pounds--1 million less than marketings from the 1966 crop.

Carryover of the combined dark air- and sun-cured types on October 1, 1967, may approach 65 million pounds, not much different from last October 1. The indicated carryover plus this year's crop would result in total 1967/68 supplies of nearly 87 million pounds--about 1 percent less than for the current marketing year.

### Domestic Use and Exports

Domestic use of dark air-cured, types 35-36, in 1965/66 dropped a tenth from the previous year, but use of Virginia sun-cured rose around a sixth, to about equal the level of 2 years earlier. Output of plug, twist, and fine-cut chewing tobaccos--the chief outlet for dark air-cured in this country--declined 1 percent in the 1965/66 marketing year. In October-December 1966 (first quarter of the current marketing year), it was about even with a year earlier.



Table 25.--Dark air-cured tobacco, types 35-36: Domestic supplies, disappearance, season average price, and price support operations for specified periods

Year	(Farm-sales weight)					
	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	
1955	27.8	76.6	104.4	23.6	18.4	5.2
1956	30.7	80.8	111.5	34.0	23.4	10.6
1957	19.8	77.5	97.3	24.8	18.5	6.3
1958	16.1	72.5	88.6	25.0	17.5	7.5
1959	19.3	63.6	82.9	21.9	16.4	5.5
1960	18.2	61.0	79.2	22.0	17.3	4.7
1961	20.6	57.2	77.8	22.6	17.9	4.7
1962	22.5	55.2	77.7	19.5	16.5	3.0
1963	24.2	58.2	82.4	21.2	18.1	3.1
1964	22.7	61.2	83.9	22.0	18.0	4.0
1965	18.5	61.9	80.4	19.8	16.2	3.6
1966 <u>2/</u>	*21.3	60.6	81.9			
Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on February 28, 1967 <u>4/</u>		
		Quantity	Percentage of crop			
Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1955	31.8	30.8	6.3	22.7	0	
1956	34.0	32.1	6.6	21.5	0	
1957	36.1	34.5	3.0	15.2	0	
1958	38.4	34.5	.5	2.7	.1	
1959	34.5	34.5	3.7	19.2	.4	
1960	37.4	34.5	2.2	12.2	.3	
1961	37.8	34.5	1.9	9.2	1.3	
1962	36.2	34.8	4.1	18.2	3.0	
1963	33.3	35.2	8.3	34.3	7.5	
1964	37.0	35.5	3.7	16.3	3.6	
1965	37.0	35.9	3.2	17.3	3.0	
1966	*37.3	36.6	4.7	22.1	4.7	
1967		37.3				
Total	---	---	48.2	---	23.9	

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

4/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures.

\* Indicated by sales data.

Table 26 ---Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

Year	(Farm-sales weight)					
	Production	Stocks, Oct. 1	Supply	Disappearance 1/		
				Total	Domestic	Exports
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	3.3	4.2	7.5	2.9	2.1	0.8
1956	3.2	4.6	7.8	2.5	1.9	.6
1957	2.7	5.3	8.0	2.5	1.9	.6
1958	1.9	5.5	7.4	2.5	2.2	.3
1959	2.2	4.9	7.1	1.9	1.6	.3
1960	1.8	5.2	7.0	2.0	1.7	.3
1961	2.2	5.0	7.2	2.1	1.8	.3
1962	2.3	5.1	7.4	2.3	2.0	.3
1963	1.1	5.1	6.2	2.0	1.7	.3
1964	1.8	4.2	6.0	1.7	1.4	.3
1965	2.0	4.3	6.3	2.0	1.7	.3
1966 <u>2/</u>	1.5	4.3	5.8			
Year	Average price per pound	Price support level <u>3/</u>	Placed under Government loan		Remaining in Government loan stocks on February 28, 1967	
			Quantity	Percentage of crop		
			Ct.	Ct.		1,000 lb.
1955	25.3	30.8	72	2.2	0	
1956	35.7	32.1	103	3.2	0	
1957	34.0	34.5	11	.4	0	
1958	36.8	34.5	29	1.5	0	
1959	34.4	34.5	24	1.1	0	
1960	37.9	34.5	5	.3	0	
1961	39.8	34.5	7	.3	0	
1962	37.4	34.8	59	2.6	0	
1963	31.4	35.2	92	8.1	0	
1964	41.2	35.5	16	.9	0	
1965	39.2	35.9	75	3.8	0	
1966	*42.2	36.6	10	.7	0	
1967		37.3				
Total	---	---	503	---	0	

1/ Year beginning October 1.

2/ Subject to revision.

3/ Through 1957--66-2/3 percent of burley support; 1958-60 legal basis changed; from 1961 on adjusted to reflect relative change between 1959 parity index and average of parity index for 3 most recent years.

\* Indicated by sales data.

In the first 4 months of the current marketing year (October 1966-January 1967), exports of One Sucker leaf dropped 24 percent below a year earlier. None was reported shipped to the Republic of the Congo, which had taken a sizable quantity in the comparable period of 1965/66. Less went to Belgium than a year earlier, but a significant quantity went to South Vietnam, in contrast to a negligible shipment the year before. Exports of Green River leaf in October 1966-January 1967 were only about a fourth as large as a year earlier. None was reported exported to the Republic of the Congo or to Australia, both of which took significant quantities in the like period of 1965/66, and the United Kingdom cut its takings by about half.

A large part of U. S. exports of dark air-cured tobacco goes in the form of Black Fat--a semiprocessed product. In October 1966-January 1967, these exports were nearly a third smaller than a year earlier. Reductions occurred in takings by Nigeria, Ghana, West Africa, and Cameroon, while exports to Togo, Spanish Africa, and Canary Islands increased.

#### Cigar Tobacco, Types 41-46

##### Prices and Price Supports

The Government overall price-support levels for recent years and 1967 for the eligible kinds of cigar tobacco are as follows (in cents per pound):

	<u>1964</u>	<u>1965</u>	<u>1966</u>	<u>1967</u>
Puerto Rico (type 46)	30.6	30.9	31.5	32.1
Connecticut Valley (types 51-52)	40.8	41.2	42.0	42.8
Ohio-Wisconsin (types 42-44 and 54-55)	29.5	29.7	30.3	30.9

Government price supports are not in effect for Pennsylvania tobacco (type 41) inasmuch as growers rejected marketing quotas, or for Connecticut Valley and Georgia-Florida shade-grown cigar wrapper (types 61-62), since the price-support legislation does not apply to them.

For 1966 crop sales through mid-March, the average price of Southern Wisconsin tobacco (type 54) averaged about 34 cents a pound--4 to 5 cents higher than for the 1965 crop. Prices of Northern Wisconsin tobacco (type 55) averaged about 32 cents per pound--3 to 4 cents above the 1965 average.

Official season average prices for the 1966 cigar tobacco crops are scheduled for release on May 10.

##### 1967 Cigar Filler and Binder Acreage Allotments

On January 16, the 1967 acreage allotments for Connecticut Valley types 51-52 and Ohio filler-Wisconsin binder types 42-44 and 54-55 were announced. The acreage allotment available for types 51-52 is 4,396 acres--virtually the same as for 1966; the acreage available for allotment for types 42-44 and 54-55 is 19,837 acres compared with 20,300 acres in 1966. Farms that continued to plant at least 75 percent of their allotments were not reduced. Some farms have substantially reduced the size of plantings during recent years, and have smaller allotments this year.

Table 27.--Cigar tobacco price support operations, quantities placed under loan, 1955-66, and remaining under loan February 28, 1967

Crop	Quantities placed under loan						Total
	Puerto Rican, type 46	Ohio, types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
1955	2.8	0.8	7.8	5.2	0.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	0	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	<u>1/</u>	4.4
1960	.9	0	1.6	2.6	3.2	3.2	11.5
1961	.4	0	.8	1.9	1.5	4.5	9.1
1962	.7	.1	.2	1.4	.3	4.4	<u>2/</u> 7.1
1963	.6	.6	.2	1.3	1.0	3.1	6.8
1964	0	.1	.1	1.0	<u>1/</u>	.8	2.0
1965	1.8	.2	.9	.5	.6	3.2	7.2
1966 <u>3/</u>	<u>4/</u>	0	.5	.3	.1	1.7	2.6
Total	14.5	2.3	18.1	16.5	8.1	25.3	<u>2/</u> 84.8
Remaining under loan as of February 28, 1967							
1960	0	0	0	.2	0	0	.2
1961	0	0	0	.6	0	0	.6
1962	0	0	0	.4	0	0	.4
1963	0	0	.1	.3	0	0	.4
1964	0	0	.1	.3	0	0	.4
1965	1.8	.2	.5	.4	.6	3.0	6.5
1966	<u>4/</u>	0	.5	.3	.1	1.7	2.6
Total	1.8	.2	1.2	2.5	.7	4.7	11.1

1/ Negligible.

2/ Includes negligible amount from the 1962 crop of New York and Pennsylvania Havana Seed (type 53).

3/ Preliminary; subject to revision.

4/ Not yet marketed.

Growers of the above types approved marketing quotas and acreage allotments on their 1966, 1967, and 1968 crops in referendums held February 10, 1966; therefore Government price support applies to each of these crops.

### Supplies

Filler: The total 1966/67 supply of Pennsylvania filler is the smallest in 5 years--down 6 percent from 1965/66. According to March 1 growers' intentions, the 1967 acreage would be 8 percent below that harvested in 1966. But based on an average yield adjusted for trend, 1967 production could approximate  $42\frac{1}{2}$  million pounds--about  $\frac{1}{2}$  million pounds more than last year, when yields probably averaged lowest in 9 years.

The 1966/67 supply of Ohio filler is the lowest on record and slightly below 1965/66. The 1967 prospective acreage is down 12 percent from 1966. Allowing for trend in yields, this year's crop might approximate  $5\frac{1}{4}$  million pounds--about  $\frac{3}{4}$  million lower than 1966.

The January 1, 1966, stocks of Puerto Rican tobacco (on the Island and in the U.S.) totaled  $48\frac{1}{4}$  million pounds--down 14 percent from a year-earlier when they were highest for that date since 1948. If the crop planted in late 1966 for harvest in early 1967 is near the quota level set by the Puerto Rican Government, production for the second year in a row would be less than one-half the average annual harvest in the 1961-64 period.

Imported cigar tobacco: In 1966, about 45 million pounds (farm-sales weight equivalent) of foreign cigar tobaccos arrived in the United States--almost 40 million less than in 1965 and 65 million less than in 1964. The leading source was the Philippine Republic, which accounted for about 26 million pounds (farm-sales weight equivalent)--some 17 million less than in 1965. About 5 million pounds came from Colombia--roughly 3 million less than in 1965. The next-ranking source was Mexico which supplied about  $4\frac{3}{4}$  million pounds--an increase of about 1 million from 1965. There was a steep drop in cigar tobacco from Brazil; arrivals totaled about  $2\frac{3}{4}$  million pounds compared with  $11\frac{1}{4}$  million in 1965. Only about 1 million pounds came from Dominican Republic--over  $4\frac{1}{2}$  million lower than in 1965. Also, less came from Paraguay, Indonesia, and Argentina, but more came from Honduras.

At 96 million pounds (farm-sales weight), stocks of foreign cigar tobaccos in the United States on January 1, 1967, were 24 percent lower than the high of a year earlier and 16 percent lower than 2 years earlier. These stocks (owned by manufacturers and dealers) compared with recent years as follows:

	January 1 stocks (farm-sales weight)			
	1964	1965	1966	1967
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Philippines	16.7	28.0	47.6	38.4
Brazil	5.5	12.0	15.6	12.8
Colombia	9.7	17.7	15.7	11.1
Dominican Republic	10.7	23.5	15.8	9.7
Cuba	21.9	14.5	9.2	5.4
Indonesia	3.1	7.1	6.9	5.1
Paraguay	3.0	3.5	4.8	2.4
Other	3.2	7.6	10.9	11.3
Total	73.8	113.9	126.5	96.2

Table 28.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks, October 1	Supply	Disappearance <sup>1/</sup>			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
1955	45.7	113.0	158.7	55.0	54.6	0.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960	52.7	109.7	162.4	47.5	47.4	.1	28.0
1961	53.5	114.9	168.4	45.5	45.4	.1	27.0
1962	60.0	122.9	182.9	<u>2/</u> 52.0	<u>2/</u> 51.7	.3	23.5
1963	51.8	128.0	179.8	<u>2/</u> 44.7	44.2	.5	21.0
1964	45.9	138.1	184.0	54.6	54.1	.5	27.0
1965	51.3	129.4	180.7	53.0	51.2	1.8	24.0
1966 <sup>3/</sup>	41.9	127.7	169.6				
Ohio, Miami Valley (types 42-44)							
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960	6.6	17.5	24.1	6.5	6.5		28.1
1961	7.7	17.6	25.3	5.1	5.1		28.3
1962	7.5	20.2	27.7	6.6	6.6		28.2
1963	6.8	21.1	27.9	8.7	8.7		27.1
1964	5.8	19.2	25.0	8.0	8.0		26.7
1965	5.4	17.0	22.4	6.2	6.2		26.2
1966 <sup>3/</sup>	6.1	16.2	22.3				
Puerto Rico (type 46) <sup>4/</sup>							
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	28.1	42.4	70.5	26.7	26.2	.5	31.6
1960	27.5	43.8	71.3	28.0	27.9	.1	33.7
1961	30.7	43.3	74.0	32.4	32.3	.1	36.8
1962	35.6	41.6	77.2	28.0	28.0	---	38.0
1963	32.0	49.2	81.2	29.8	29.6	.2	40.8
1964	37.9	51.4	89.3	26.7	26.7	---	37.2
1965	16.2	62.6	78.8	27.0	27.0	---	32.1
1966 <sup>3/</sup>	<u>5/</u> 15.0	51.8	66.8				

<sup>1/</sup> Year beginning October 1.<sup>2/</sup> Adjusted to take into account 1962 tobacco still held at the farm level at end of 1962-63 marketing year.<sup>3/</sup> Subject to revision.<sup>4/</sup> Puerto Rican planting occurs late in calendar year. <sup>5/</sup> Quota set by Commonwealth Government of Puerto Rico.

Binder: Total 1966/67 supplies of Connecticut Valley binder types are lowest on record--12 percent less than in 1965/66. Based on farmers' intentions as of March 1, this year's prospective acreage is 11 percent below 1966, with a sharper drop indicated for Havana Seed than for Broadleaf. Allowing for trend in average yields per acre, production of the Connecticut Valley binder types may be about 3.3 million pounds, probably the smallest on record and roughly  $\frac{1}{2}$  million pounds below 1966.

Total 1966/67 supplies of Wisconsin tobacco are a little below 1965/66, with all the decline occurring in the Southern Wisconsin type. The 1967 intended acreage of Southern Wisconsin tobacco is indicated to be up 8 percent, but intended acreage of Northern Wisconsin tobacco is indicated to be down 4 percent compared with 1966. Based on average yields adjusted for trend the 1967 production of the combined Wisconsin types may approximate  $17\frac{1}{4}$  million pounds--around a half-million pounds greater than in 1966.

Wrapper: Total 1966/67 supplies of shade-grown cigar wrapper are up a bit from 1965/66, with all the increase occurring in the Connecticut Valley type. Prospective 1967 acreage in the Connecticut Valley is down 2 percent, and in Georgia-Florida is down 12 percent from 1966. Based on average yields adjusted for trend, 1967 production in both areas combined would be 20.4 million pounds--4 percent below 1966.

#### Domestic Use and Exports

Filler: Disappearance of U.S. filler types totaled about  $86\frac{1}{2}$  million pounds during the 1965/66 marketing year--about  $2\frac{3}{4}$  million lower than a year earlier. Domestic use (98 percent of disappearance) declined about  $4\frac{1}{2}$  percent, while exports (accounting for the other 2 percent) jumped sharply. The 3 major destinations were South Vietnam, Canada and France. During the first 4 months of the 1966/67 marketing year, exports continued to rise--the major outlets being South Vietnam and Canada.

Imported tobacco: Use of imported cigar tobacco in the year ended September 30, 1966--the period corresponding to the marketing year for U.S. filler and binder tobaccos--totaled about 64 million pounds (farm-sales weight equivalent), roughly 10 million less than in 1964/65. Moderately more Philippine tobacco was used than a year earlier, but considerably less Dominican and Colombian tobacco. There were also decreases in use of Brazilian, Indonesian, and Argentine tobaccos. Use of Cuban tobacco (from stocks brought here prior to the embargo) continued to fall, but more Mexican, Paraguayan and Honduran tobaccos were used than a year earlier.

During October 1966-January 1967, imports of tobacco for consumption from the Philippine Republic, Brazil, Mexico, Paraguay, Indonesia, Honduras, and Argentina gained over a year earlier, but imports from Colombia and the Dominican Republic declined. Also, stocks data indicate a further drop in use of Cuban tobacco.

Binder: Disappearance of Connecticut Valley binder at 7 million pounds in 1965/66 was a new low; domestic use (70 percent of total disappearance) declined, while exports (30 percent of total disappearance) held even with a year earlier. During the first 4 months of 1966/67, exports of Connecticut Valley tobacco fell sharply below a year earlier.

Disappearance of Wisconsin tobacco in 1965/66 barely edged above the long-time low of 1964/65; domestic use was up a little, but exports (which had accounted for around percent of total disappearance in 1964/65) were halved. During October 1966-January 1967, exports of Wisconsin tobacco were still running below the year-earlier period. None was reported going to East Germany--the leading destination in 1965/66--but some went to the Netherlands, Canada and Belgium, in contrast with none, or negligible quantities a year earlier.

Table 29.--Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

Year	(Farm-sales weight)							Average price per pound
	Production	Stocks, October 1	Supply	Disappearance 1/			Total	
				Domestic	Exports			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	
Connecticut Valley Broadleaf (type 51)								
1955	12.1	33.4	45.5	14.7	14.3	0.4	44.9	
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0	
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0	
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0	
1959	4.5	20.0	24.5	4.1	3.9	.2	45.0	
1960	3.6	20.4	24.0	4.6	4.3	.3	44.0	
1961	3.1	19.4	22.5	3.7	3.6	.1	43.3	
1962	2.9	18.8	21.7	6.2	6.0	.2	53.5	
1963	3.7	15.5	19.2	4.6	4.3	.3	51.0	
1964	3.8	14.6	18.4	3.7	<u>2/</u>	<u>2/</u>	50.0	
1965	3.5	14.7	18.2	4.3	<u>2/</u>	<u>2/</u>	46.5	
1966 <u>3/</u>	2.7	13.9	16.6					
Connecticut Valley Havana Seed (type 52)								
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0	
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3	
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9	
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4	
1959	3.2	14.5	17.7	4.9	4.2	.7	41.2	
1960	3.2	12.8	16.0	4.2	2.4	1.8	42.5	
1961	2.4	11.8	14.2	3.2	2.1	1.1	40.6	
1962	2.4	11.0	13.4	3.3	2.6	.7	42.5	
1963	2.3	10.1	12.4	4.1	2.8	1.3	41.6	
1964	1.9	8.3	10.2	3.6	<u>2/</u>	<u>2/</u>	43.8	
1965	1.5	6.6	8.1	2.7	<u>2/</u>	<u>2/</u>	44.5	
1966 <u>3/</u>	1.1	5.4	6.5					
Total Connecticut Valley (types 51-52)								
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4	
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7	
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2	
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4	
1959	7.7	34.5	42.2	9.0	8.1	.9	42.6	
1960	6.8	33.2	40.0	8.8	6.5	2.3	43.3	
1961	5.5	31.2	36.7	6.9	5.7	1.2	42.1	
1962	5.3	29.8	35.1	9.5	8.6	.9	48.5	
1963	6.0	25.6	31.6	8.7	7.1	1.6	47.5	
1964	5.7	22.9	28.6	7.3	5.2	2.1	47.9	
1965	5.0	21.3	26.3	7.0	4.9	2.1	45.9	
1966 <u>3/</u>	3.8	19.3	23.1					

1/ Year beginning October 1.

2/ Breakdown between domestic use and exports not available for individual types of Connecticut Valley binder tobacco.

3/ Subject to revision.



Table 30.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

Year	(Farm-sales weight)							Average price per pound
	Production	Stocks, October 1	Supply	Disappearance <sup>1/</sup>			Average price per pound	
				Total	Domestic	Exports		
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.	
Southern Wisconsin (type 54)								
1955	6.7	29.0	35.7	10.3	9.9	0.4	22.9	
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1	
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1	
1958	8.8	20.0	28.8	8.0	7.6	.4	34.6	
1959	9.2	20.9	30.1	8.0	7.7	.3	29.3	
1960	8.6	22.2	30.8	7.5	7.3	.2	28.0	
1961	9.0	23.3	32.3	9.0	8.9	.1	28.7	
1962	8.7	23.3	32.0	7.7	7.6	.1	29.3	
1963	8.3	24.3	32.6	9.7	9.7	<sup>2/</sup>	30.0	
1964	8.7	22.9	31.6	8.9	<sup>3/</sup>	<sup>3/</sup>	32.2	
1965	8.5	22.7	31.2	8.8	<sup>3/</sup>	<sup>3/</sup>	29.7	
1966 <sup>4/</sup>	7.2	22.4	29.6					
Northern Wisconsin (type 55)								
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6	
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9	
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5	
1958	13.0	26.6	39.6	14.4	12.1	2.3	35.2	
1959	11.6	25.3	36.9	12.4	11.5	.9	37.1	
1960	12.3	24.4	36.7	11.3	10.9	.4	30.6	
1961	13.4	25.4	38.8	11.0	10.6	.4	29.6	
1962	10.9	27.8	38.7	11.1	10.9	.2	29.1	
1963	9.7	27.6	37.3	12.5	12.5	<sup>2/</sup>	31.6	
1964	11.2	24.8	36.0	9.2	<sup>3/</sup>	<sup>3/</sup>	35.8	
1965	10.8	26.8	37.6	9.4	<sup>3/</sup>	<sup>3/</sup>	28.9	
1966 <sup>4/</sup>	9.4	28.2	37.6					
Total Wisconsin (types 54-55)								
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1	
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3	
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6	
1958	21.8	46.6	68.4	22.4	19.7	2.7	35.0	
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7	
1960	20.9	46.6	67.5	18.8	18.2	.6	29.5	
1961	22.4	48.7	71.1	20.0	19.5	.5	29.2	
1962	19.6	51.1	70.7	18.9	18.6	.3	29.2	
1963	18.0	51.9	69.9	22.2	22.2	<sup>2/</sup>	30.9	
1964	19.9	47.7	67.6	18.1	17.5	.6	34.2	
1965	19.3	49.5	68.8	18.2	17.9	.3	29.3	
1966 <sup>4/</sup>	*16.7	50.6	67.3					

<sup>1/</sup> Year beginning October 1.<sup>2/</sup> Negligible.<sup>3/</sup> Breakdown between domestic use and exports not available for individual types of Wisconsin tobacco.<sup>4/</sup> Subject to revision.

\*Based on unrounded data.

Table 31.--Cigar wrapper tobacco, types 61-62: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks, July 1	Supply	Disappearance <sup>1/</sup>			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.7	13.0	23.7	8.6	6.1	2.5	210.0
1960	12.0	16.2	28.2	11.3	8.8	2.5	190.0
1961	10.3	16.9	27.2	12.0	8.7	3.3	235.0
1962	11.9	15.2	27.1	11.1	8.3	2.8	250.0
1963	12.0	16.0	28.0	14.1	10.0	4.1	260.0
1964	13.5	13.9	27.4	13.1	10.0	3.1	250.0
1965	14.6	14.3	28.9	12.6	9.3	3.3	250.0
1966 <sup>2/</sup>	13.9	16.3	30.2				
Georgia-Florida Shade-grown (type 62)							
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.8	7.3	15.1	7.5	6.1	1.4	195.0
1960	9.3	7.7	17.0	6.5	5.5	1.0	200.0
1961	8.8	10.5	19.3	9.1	6.5	2.6	190.0
1962	7.4	10.2	17.6	8.5	6.4	2.1	205.0
1963	6.7	9.1	15.8	7.6	5.3	2.3	205.0
1964	7.6	8.2	15.8	8.5	7.3	1.2	235.0
1965	8.3	7.3	15.6	7.4	5.6	1.8	225.0
1966 <sup>2/</sup>	7.4	8.2	15.6				
Total Shade-grown (types 61-62)							
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.5	20.3	38.8	16.1	12.2	3.9	204.0
1960	21.3	23.9	45.2	17.8	14.3	3.5	194.0
1961	19.1	27.4	46.5	21.1	15.2	5.9	214.0
1962	19.3	25.4	44.7	19.6	14.7	4.9	233.0
1963	18.7	25.1	43.8	21.7	15.3	6.4	240.0
1964	21.1	22.1	43.2	21.6	17.3	4.3	245.0
1965	22.9	21.6	44.5	20.0	14.9	5.1	241.0
1966 <sup>2/</sup>	21.3	24.5	45.8				

<sup>1/</sup> Year beginning July 1.<sup>2/</sup> Subject to revision.

Wrapper: During July 1965-June 1966 (the designated marketing year for wrapper), total disappearance of shade-grown cigar wrapper at 20 million pounds declined 7 to 8 percent from the near-record and record quantities of the previous 2 years. The decline from 1964/65 to 1965/66 was in domestic use (three-fourths of total disappearance); however, exports (one-fourth of disappearance) rose 19 percent from the 4-year low of 1964/65.

During July 1966-January 1967, exports of Connecticut Valley wrapper were 8 percent lower than in the comparable period of 1965/66, while exports of Georgia-Florida wrapper dropped 37 percent. Exports of Connecticut Valley wrapper to the United Kingdom--the leading outlet--were up sharply; but those to West Germany and Canada--the next ranking outlets--were substantially lower. Increased shipments went to the Canary Islands. Exports of Georgia-Florida wrapper to Canada, West Germany, and the Canary Islands during July 1966-January 1967 dropped far below a year earlier; however, East Germany took some in contrast with none a year earlier.

:	:
:	:
:	The <u>Tobacco Situation</u> is published March,
:	June, September and December.
:	:
:	The next issue is scheduled for release
:	June 29, 1967.
:	:

Table 32.--Acreage of tobacco in the United States, by class and type, average 1954-58 and 1959-63, annual 1964-67 with percentages

Class and type	Average	Average	1964	1965	1966	1967	Percent- age change 1966 to 1967
	1954-58	1959-63			1/	2/	
	1,000	1,000	1,000	1,000	1,000	1,000	Pct.
	acres	acres	acres	acres	acres	acres	
Va. and N.C. Old and Middle Belts, type 11	300.6	253.5	227.0	202.8	212.7	214.5	0.8
Eastern North Carolina, type 12	272.8	225.6	202.0	182.0	199.0	193.0	-3.0
N.C. Border and S.C. Belt, type 13	168.6	137.1	122.0	111.6	118.5	128.5	8.4
Georgia and Florida, type 14	100.1	85.4	76.6	65.9	75.3	87.6	16.3
<b>Total flue-cured, types 11-14</b>	<b>842.1</b>	<b>701.6</b>	<b>627.6</b>	<b>562.3</b>	<b>605.5</b>	<b>623.6</b>	<b>3.0</b>
Virginia, type 21	8.3	7.2	7.3	7.6	6.0	5.9	-1.7
Kentucky and Tennessee, type 22	25.0	20.0	17.8	16.7	15.4	15.0	-2.6
Kentucky and Tennessee, type 23	9.7	7.6	7.0	6.6	5.7	5.5	-3.5
<b>Total fire-cured, types 21-23</b>	<b>43.0</b>	<b>34.8</b>	<b>32.1</b>	<b>30.8</b>	<b>27.1</b>	<b>26.4</b>	<b>-2.6</b>
Burley, type 31	329.0	318.5	306.6	277.1	240.8	240.8	0
Maryland, type 32	42.3	38.6	39.0	33.5	36.0	32.0	-11.1
Ky.-Tenn. One Sucker, type 35	11.6	9.0	8.1	7.5	7.2	7.0	-2.8
Kentucky Green River, type 36	6.1	4.5	4.3	3.8	3.5	3.5	0
Virginia sun-cured, type 37	3.1	1.9	1.7	1.8	1.4	1.3	-7.1
<b>Total dark air-cured, types 35-37</b>	<b>20.8</b>	<b>15.4</b>	<b>14.1</b>	<b>13.1</b>	<b>12.1</b>	<b>11.8</b>	<b>-2.5</b>
Pennsylvania Seedleaf, type 41	29.3	30.2	27.0	27.0	25.0	23.0	-8.0
Ohio Miami Valley, types 42-44	3.9	4.2	3.7	3.7	3.2	2.8	-12.5
<b>Total cigar filler, types 41-44</b>	<b>33.2</b>	<b>34.4</b>	<b>30.7</b>	<b>30.7</b>	<b>28.2</b>	<b>25.8</b>	<b>-8.5</b>
Connecticut Valley Broadleaf, type 51	5.0	2.0	1.9	1.9	1.3	1.2	-7.7
Mass.-Conn. Valley Havana Seed, type 52	3.5	1.3	.9	.7	.5	.4	-20.0
Southern Wisconsin, type 54	4.7	5.3	4.6	4.7	3.9	4.2	7.7
Northern Wisconsin, type 55	8.4	7.8	6.3	6.2	5.4	5.2	-3.7
<b>Total cigar binder, types 51-55</b>	<b>21.6</b>	<b>16.4</b>	<b>13.7</b>	<b>13.5</b>	<b>11.1</b>	<b>11.0</b>	<b>-.9</b>
Connecticut Valley Shade-grown, type 61	8.0	8.0	8.4	9.3	8.7	8.5	-2.3
Georgia and Florida Shade-grown, type 62	5.0	5.6	5.4	6.3	5.8	5.1	-12.1
<b>Total cigar wrapper, types 61-62</b>	<b>13.0</b>	<b>13.6</b>	<b>13.8</b>	<b>15.6</b>	<b>14.5</b>	<b>13.6</b>	<b>-6.2</b>
Louisiana Perique, type 72	.2	.3	.2	.3	.2	.2	0
<b>Total all types</b>	<b>1,345.2</b>	<b>1,173.6</b>	<b>1,077.8</b>	<b>976.9</b>	<b>975.5</b>	<b>985.2</b>	<b>1.0</b>

1/ Subject to revision.

2/ Farmers' intentions as of March 1.

Table 33.--Cash receipts from farm marketings and tobacco, average 1950-54, annual 1955-66 with percentages

Period	Cash receipts				Tobacco as a percentage of--	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.
Average: 1950-54	17,586	13,467	31,053	1,119	8.3	3.6
1955	15,837	13,427	29,264	1,225	9.1	4.2
1956	16,250	14,122	30,372	1,162	8.2	3.8
1957	17,363	12,461	29,824	971	7.8	3.3
1958	19,301	14,259	33,560	1,020	7.2	3.0
1959	18,855	14,291	33,146	1,060	7.4	3.2
1960	18,937	15,076	34,013	1,154	7.7	3.4
1961	19,415	15,828	35,243	1,325	8.4	3.8
1962	20,013	16,064	36,077	1,321	8.2	3.7
1963	19,880	17,046	36,926	1,269	7.4	3.4
1964	19,764	17,135	36,899	1,414	8.3	3.8
1965	21,853	17,334	39,187	1,186	6.8	3.0
1966 <sup>1/</sup>	24,666	18,213	42,879	1,208	6.6	2.8

<sup>1/</sup> Preliminary.

Table 34.--Tobacco manufacturing corporations: Net sales, net income and profit ratios, for specified periods

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before	After
Mil. dol.	Mil. dol.	Mil. dol.	Ct.	Ct.	Pct.	Pct.	
Average: 1950-54	3,530	306	139	8.7	4.0	21.4	9.8
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
1960	5,139	577	281	11.2	5.5	27.5	13.4
1961	5,300	630	303	11.9	5.7	28.3	13.6
1962	5,340	634	306	11.9	5.7	27.1	13.1
1963	5,563	675	327	12.1	5.9	27.6	13.4
1964	5,836	664	345	11.4	5.9	25.8	13.4
1965	6,006	665	354	11.1	5.9	25.4	13.5
First 3 quarters:							
1965	4,474	501	264	11.1	5.9	25.6	13.5
1966	4,868	544	291	11.2	6.0	26.3	14.1

Note: Data include non-tobacco enterprises of tobacco manufacturing corporations. Compiled and adapted from Quarterly Financial Reports for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

Table 35.--Federal and State tax revenues from tobacco products for specified periods

Period	Federal				States <sup>2/</sup>		Total Federal and State
	Cigarettes	Cigars	Chewing, smoking, and snuff	Total <sup>1/</sup>	All tobacco products <sup>3/</sup>		
					Mil. dol.	Mil. dol.	
Average: 1950-54	1,445	45	28	1,518	471	1,989	
1955	1,530	46	20	1,596	500	2,096	
1956	1,576	45	18	1,639	573	2,212	
1957	1,639	46	18	1,704	614	2,318	
1958	1,750	49	18	1,817	673	2,490	
1959	1,792	51	17	1,860	841	2,701	
1960	1,887	50	17	1,955	998	2,953	
1961	1,950	50	17	2,019	1,070	3,094	
1962	1,961	50	16	2,030	1,130	3,160	
1963	2,047	51	17	2,116	1,225	3,341	
1964	1,987	62	18	2,069	1,264	3,333	
1965	2,014	58	16	2,090	1,482	3,572	
1966 <sup>4/</sup>	1,993	56	6/	2,051	5/1,620	3,671	

<sup>1/</sup> Includes leaf dealer penalties, floor taxes, cigarette papers and tubes, etc. <sup>2/</sup> Includes District of Columbia. <sup>3/</sup> Cigarette taxes--about 98 percent of total. <sup>4/</sup> Preliminary. <sup>5/</sup> Estimated. <sup>6/</sup> The Federal excise tax on chewing, smoking, and snuff was repealed effective January 1, 1966. Taxes incurred prior to repeal but paid in 1966 totaled about \$510,000. General note: Local government taxes from tobacco products in fiscal year 1964/65 totaled \$102 million.

Compiled from reports of the Internal Revenue Service, The National Tobacco Tax Association, and other sources.



STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1965-66			1966-67		Last data as percentage of a year earlier
		Dec.	Jan.	Nov.	Dec.	Jan.	
<b>Exports of leaf tobacco</b>							
(farm-sales weight)							
Flue-cured	Mil. lb.	61.2	31.2	65.5	72.6	31.9	102
Burley	Mil. lb.	4.0	3.2	7.1	4.0	3.5	109
Maryland	Mil. lb.	.6	.5	1.1	1.5	1.5	300
Virginia fire- & sun-cured	Mil. lb.	.6	.9	1.7	.5	.6	67
Ky.-Tenn. fire-cured	Mil. lb.	3.8	.4	1.9	2.0	2.0	500
Ky.-Tenn. dark air-cured	Mil. lb.	.1	.1	.3	.2	.1	100
Black Fat	Mil. lb.	.7	.3	.3	.3	.4	133
Cigar wrapper	Mil. lb.	.2	.3	.2	.2	.1	33
Connecticut binder	Mil. lb.	.2	.1	*	*	*	---
Wisconsin binder	Mil. lb.	.1	*	.1	*	.1	---
Accumulated from beginning of marketing year 8/							
Flue-cured	Mil. lb.	272.9	304.1	294.8	367.4	399.4	131
Burley	Mil. lb.	15.1	18.3	9.1	13.2	16.7	91
Maryland	Mil. lb.	4.7	5.2	3.3	4.8	6.3	121
Virginia fire- & sun-cured	Mil. lb.	1.7	2.7	3.5	3.9	4.5	167
Ky.-Tenn. fire-cured	Mil. lb.	12.0	12.4	3.1	5.1	7.2	58
Ky.-Tenn. dark air-cured	Mil. lb.	.9	1.0	.4	.5	.6	60
Black Fat	Mil. lb.	1.3	1.6	.4	.7	1.1	69
Cigar wrapper	Mil. lb.	2.2	2.6	1.9	2.1	2.2	85
Connecticut binder	Mil. lb.	.3	.4	.1	.1	.1	25
Wisconsin binder	Mil. lb.	.2	.2	.1	.1	.1	50
<b>Exports of manufactured tobacco</b>							
in bulk							
Accumulated from Jan. 1	Mil. lb.	2.4	.6	1.6	2.0	.7	117
	Mil. lb.	13.6		12.9	14.8		109
Quarterly Data							
		1965-66		1966-67			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
<b>Tobacco stocks--1st of quarter 2/</b>							
Domestic types (farm-sales weight)							
Flue-cured	Mil. lb.	2,898	2,942	2,736	2,820		96
Burley	Mil. lb.	1,416	1,676	1,395	1,570		94
Maryland	Mil. lb.	99	90	100	90		100
Fire-cured	Mil. lb.	120	105	113	103		98
Dark air- and sun-cured	Mil. lb.	66	68	65	66		97
Cigar filler	Mil. lb.	209	184	196	176		96
Cigar binder	Mil. lb.	71	66	70	68		103
Cigar wrapper	Mil. lb.	29	31	31	31		100
Under Government loan 10/	Mil. lb.	1,329	1,288	1,127	1,156		90
<b>Tobacco sheet 11/</b>							
Cigarette types							
Cigarette types	Mil. lb.	7.7	9.2	12.5	15.7		171
Cigar types	Mil. lb.	2.4	2.5	2.4	2.2		88
<b>Foreign types (farm-sales wt.)</b>							
Cigarette and smoking	Mil. lb.	283	289	325	329		114
Cigar	Mil. lb.	128	126	107	96		76
<b>Tobacco outlets 12/</b>							
Seasonally adjusted data, annual rates, for charts, p.2:							
<b>Cigarettes</b>							
Production	Bil.	551	582	557	598		103
Taxable removals	Bil.	511	530	518	546		103
Cigar production	Bil.	8.50	8.25	8.00	8.27		100
Smoking production	Mil. lb.	70.7	74.6	72.6	73.0		98
<b>Chewing production</b>							
Scrap	Mil. lb.	33.8	35.4	33.8	36.0		102
Plug and other	Mil. lb.	30.6	31.0	30.4	30.6		99
Snuff production	Mil. lb.	30.2	29.4	29.6	28.8		98
<b>Exports of leaf</b>							
Total	Mil. lb.	619	640	705	678		106
Flue-cured	Mil. lb.	452	548	559	584		107

1/ 1966 and 1967 crops respectively. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Farm-sales weight equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others. 9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Includes some sold on deferred sales basis. 11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates. \*Less than 50,000 pounds. \*\*C&MS--invoiced domestic. \*\*\*C&MS--invoiced exports.

Index of Special Items, Tables, and Charts in 1966 Issues of the Tobacco Situation

Each issue of the Tobacco Situation carries discussion and standard statistical tables which cover (1) cigarettes, cigars, and other manufactured tobacco products, (2) exports, foreign production and United Kingdom data, (3) imports and (4) each of the different kinds of leaf tobacco. The discussion and regular tables contain current estimates and comparable data for earlier years. Also included in each issue are 6 standard charts that depict recent trends in manufactured tobacco products and leaf tobacco exports. In addition, various issues of the Tobacco Situation contain special items, special-purpose tables and charts; the following index provides references to such material published during calendar year 1966:

<u>Special Items:</u>	<u>1966 Issue</u>
Acreage-poundage program disapproved by burley growers .....	March
European Common Market duties .....	September
Flue-cured acreage-poundage quota, 1967 .....	December
Mandatory sanctions against Rhodesian tobacco .....	December
New quarterly report on smoking and chewing tobacco and snuff .....	March
Price increases on cigarettes .....	March, June
 <u>Statistical Tables:</u>	
All tobacco leaf combined: Supply, domestic use, exports, etc. ....	December
British tobacco imports by source:	
Calendar years .....	March (also this issue)
Fiscal years .....	September
Burley price spreads among grades .....	March (also this issue)
Cash receipts from farm marketings:	
Tobacco and total, major tobacco States .....	June, September
Tobacco and total, U. S. ....	March (also this issue)
Cigarette manufacture--use of tobacco: .....	September
Kinds of tobacco used	
Percentage distribution by kinds	
Tobacco used per 1,000 cigarettes	
Cigarette output, filter and nonfilter tips .....	March (also this issue)
Consumption per capita:	
18 years and over:	
Cigarettes, units and pounds, all tobacco products, pounds and indexes .	Mar., Sept.(also this issue)
Snuff and indexes on basis of product weight .....	Mar., Sept.(also this issue)
Cigars, smoking, and chewing tobacco per male, and indexes on basis	
of units and pounds .....	Mar., Sept.(also this issue)
Expenditures for cigarettes, cigars, other .....	September, December
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